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China

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General

China To Launch Satellites for Australia, Sweden

OW080111592 Beijing XINHUA Domestic Service
in Chinese 0939 GMT 8 Jan 92

[By reporter Gu Honghong (7357 3163 3163)]

[Text] Beijing, 8 January (XINHUA)—According to the Ministry of Aeronautics and Astronautics Industry, China will launch three artificial satellites for Australia and Sweden this year. Preparations for launches have entered the final and crucial stage.

Two of the three foreign satellites are U.S.-made second-generation communications satellites for Australia, and one is "Foliya" scientific satellite for Sweden. The two satellites for Australia are the world's most advanced communications satellites. Each has 48 repeaters, 10 times the previous communications satellites. These two satellites will be launched with the Chinese-made Long March II clustered rocket carriers from the Xichang Satellite Launching Center in China in March and in the fall of this year. The scientific satellite for Sweden will be launched with a Chinese-made Long March II Bing rocket carrier from the Jiuquan Satellite Launching Center in China in October.

Since the China Great Wall Industry Corporation signed satellite launching contracts with the U.S. Hughes Communications Company, Ltd. and Sweden's Space Corporation in 1988 and 1987, respectively, a host of preparations have been carried out by the Chinese and foreign sides. All technical coordination work has been basically completed. In April and in September 1991, the U.S. Government formally issued the permit for satellites to leave the country and the export licenses for U.S.-made products, thus clearing the obstacles for transporting U.S.-made satellites and using U.S.-made equipment to transport satellites to China. The successful experiment of the first Chinese-made Long March II clustered rocket carrier in July 1990 laid the technical foundations for launching foreign-made satellites. At present, the final assembly and tests of Chinese rocket carriers for launching foreign satellites have been completed, and they will be shipped to the launching centers in the near future. The first U.S.-made communications satellite for Australia will be transported by special plane to Xichang before the end of the month.

Qian Qichen Interviewed on International Situation

HK0801105892 Beijing ZHONGGUO QINGNIAN BAO
in Chinese 19 Dec 91 pp 1, 2

[Report on interview with Qian Qichen, State Councilor and Foreign Minister, by unidentified reporter; place and date not given: "A Year of Drastic Changes in International Situation and China's Diplomacy—Qian Qichen Answers Staff Reporter's Questions"]

[Text] The year 1991 has been a year of changes in the international situation.

From the Gulf war in the beginning of the year to great changes in the Soviet Union at the end, disputes and reorganizations have taken place one after another in different parts of the world. Wars have been breaking out in some countries, and regional integration and disintegration continue to occur. Apart from this, a dramatic change has also happened in the global strategic pattern. All these will produce a deep impact on world development in the remaining years of the 20th century and also during the 21st century.

At the end of 1991, State Councilor and Foreign Minister Qian Qichen granted a special interview to our reporter explaining the world situation and China's diplomacy in 1991 to our 1.5 million subscribers and young friends.

Three Major Issues: Gulf War, Civil War in Yugoslavia, and Disintegration of Soviet Union

[ZHONGGUO QINGNIAN BAO] The year 1991 has been a year of drastic change in the international structure and strategic pattern. This will leave a noteworthy chapter in world history. Looking back, how would you appraise this year's characteristics and trends?

[Qian] Upon reviewing this year's international situation, we can see that three major issues have had major influence. These are the Gulf war, the civil war in Yugoslavia, and the disintegration of the Soviet Union. In particular, the change after the 19 August incident indicates the end of contention between the two superpowers. Germany and Japan are gaining momentum following the disintegration of the Soviet Union and the weakening of the United States. With the emergence of some developing nations, the world is moving toward multipolarity.

[ZHONGGUO QINGNIAN BAO] Europe was relatively stable during the last 40 years since the war. But the civil war in Yugoslavia, combined with the effects of economic, social, and political turmoil in East Europe have put Europe in the spotlight of international attention. How do you view the situation in this region?

[Qian] Europe was previously the focus of U.S.-Soviet strategic contention. The confrontation and mutual control between the two military blocs, one headed by the United States and the other by the Soviet Union, led to relatively prolonged stability after the war.

Drastic changes in East Europe and the disintegration of the Warsaw Treaty Organization have broken the balance of forces in Europe. The previous East-West pattern of U.S.-Soviet control over Europe is gone once and for all. The ethnic conflicts that European history has left behind have now come to the surface, some resulting in serious bloody clashes.

The civil war in Yugoslavia is the biggest war in Europe since the end of World War II. The war is still going on

despite a dozen or so cease-fire agreements signed by the two sides. EC mediation efforts have also failed.

East European nations are ready to move toward private and market economies, but foreign investors still hesitate, because these nations are facing economic difficulties and political instability.

In short, the civil war in Yugoslavia, economic difficulties of East Europe, and the disintegration of the Soviet Union make a kaleidoscope of this year's European continent. This previously peaceful land has been plunged into unprecedented turmoil.

Soviet Situation Keeps Changing, Much Uncertainty Still Remains

[ZHONGGUO QINGNIAN BAO] Ethnic conflicts and economic crises keep occurring in the Soviet Union along with increasingly serious political disintegration. How do you think the Soviet situation will develop? Will it affect the normal development of Sino-Soviet relations?

[Qian] The Soviet political situation is turbulent; the former union is disintegrating; and power is being transferred to republics. This drastic change has been the result of prolonged and deepening political, economic, and union crises. The Soviet situation is still changing, and there is much uncertainty.

On Sino-Soviet relations, the two countries have signed two joint communiques, one in 1989 and the other in 1991. It is our hope that good-neighborly Sino-Soviet relations will develop on the basis of these two communiques.

[ZHONGGUO QINGNIAN BAO] Unquestionably, the Gulf war is a major issue in this year's international relations. What enlightenment have the war and its effects given people?

[Qian] The Gulf war suggests that serious regional conflicts and a large-scale destructive regional war can still break out even when the international situation is in a relaxed phase. The Gulf war is over, but genuine peace has not been achieved in the Middle East. The war cannot help solve the complicated contradictions in this region.

[ZHONGGUO QINGNIAN BAO] What is your opinion on the strategic nuclear arms reduction treaty signed by the United States and the Soviet Union not long ago?

[Qian] In the past, the United States and the Soviet Union were involved in a nuclear arms race for many years. This race expanded their nuclear arsenals and seriously threatened world peace. Their medium-range missile treaty, their strategic arms reduction treaty, and their willingness to eliminate or reduce some types of tactical nuclear weapons are conducive to reducing the danger of nuclear war and should be welcomed. U.S. and Soviet nuclear weapons can still destroy the world many times over, and, furthermore, their qualitative nuclear arms race has not stopped, and development and

research on new types of nuclear weapons and space weapons is being continued.

China's Diplomacy: Good-Neighborly Policy Toward Surrounding Nations; Diplomatic Relations Established With 140 Nations; Much Headway in Relations With West

[ZHONGGUO QINGNIAN BAO] China's diplomacy has proven positive and effective this year. This has drawn the attention and appreciation of many countries amid the changes in the international system. What do you think are the achievements and characteristics of China's diplomacy?

[Qian] A major characteristic of China's diplomacy this year has been the implementation of its good neighbor policy, which has resulted in much improvement and development in China's relations with all the surrounding nations. General Secretary Jiang Zemin's successful visit to the Soviet Union and the signing of the agreement on the eastern section of the Sino-Soviet border laid a foundation for good-neighborly relations between the two countries. The relations between China and the six ASEAN countries entered a new stage after China established diplomatic relations with Brunei. Premier Li Peng's visit to India was the first visit to the country by a Chinese Government leader in 31 years. His visit has opened up a new period for the improvement and development of Sino-Indian relations. China and Vietnam have ended their 13-year-long hostility and normalized relations. China and Laos have signed a border agreement. President Yang Shangkun's visit to Mongolia helped improve the two countries' relations. Traditional friendly relations with Pakistan, Bangladesh, Nepal, and other neighboring countries have been consolidated. All these have provided a good and peaceful environment for China's modernization.

This year registered the highest record of visits by leaders of developing nations.

This year China established diplomatic relations with the newly independent states of Estonia, Latvia, and Lithuania, increasing the number of countries having such relations with China to 140.

China has also made much headway in its relations with Western nations. Japanese, British, and Italian government leaders have formally visited our country; Japanese, British, French, Italian, and U.S. foreign ministers have also visited China. China's relations with EC nations have entered a normal phase.

As a permanent member of the UN Security Council, this year China has been active in multilateral diplomacy and has played a unique role in solving major international issues and in promoting regional cooperation. China supported the simultaneous admission of North and South Korea into the United Nations and has made contributions to an overall political settlement of the Cambodian issue. At a Middle East arms control meeting held by the Security Council's five permanent

members, China raised its arms control proposal, which drew the attention of all sides concerned.

A "Conference of Environment and Development Ministers From Developing Nations" held in Beijing in June issued a "Beijing Declaration."

In November, China, Chinese Taipei, and Hong Kong joined the Asia-Pacific Regional Conference, the former as a sovereign state and the latter two as economic regions, thus opening up prospects for economic cooperation between China and the Asia-Pacific region.

Flash Points in Asia Drop, Forming a Striking Contrast to Europe

[ZHONGGUO QINGNIAN BAO] There have been many characteristics and major changes in the Asia-Pacific situation this year. What is your analysis and appraisal of this?

[Qian] The Asia-Pacific region has remained comparatively stable this year, forming a striking contrast to the turbulent situation in Europe.

The 13-year-long Cambodian conflict has finally reached an overall political settlement, with the final peace agreement signed. There will be twists and turns in implementing the peace agreement, but national reconciliation is the major trend.

North and South Korea have become formal members of the United Nations and have made initial progress in their prime ministerial talks. Official and civilian exchanges between Korea and the United States have increased, and talks on the establishment of diplomatic relations between Korea and Japan will continue.

There has also been progress in efforts to find a political solution to the Afghan problem.

The settlement of these flash point issues has promoted peace and stability in this region.

The sustained economic growth rate of the Asia-Pacific region is higher than that in the rest of the world. This region has become the region with the most economic vitality. Countries in the Asia-Pacific region cherish their wish to strengthen economic relations and cooperation despite different social systems, different economic development levels, and different religions and cultures. The UN Asia-Pacific Council will hold its annual meeting in Beijing next year.

At a time when opportunities and risks are both high, the Asia-Pacific region offers great potential. The Asia-Pacific countries are China's neighboring countries, and we are encouraged by the prospects of economic cooperation in this region.

There Are Difficulties and Improvement in Sino-U.S. Relations; Sino-Japanese Relations Have Completely Returned to Normal

[ZHONGGUO QINGNIAN BAO] Please talk about Sino-U.S. relations after Secretary of State Baker's visit to China and Sino-Japanese relations since Miyazawa assumed office.

[Qian] There are difficulties in Sino-U.S. relations, but there is also improvement.

Secretary of State Baker visited China in November, and both sides made certain achievements through frank and sincere talks. If the agreements that were signed can be put into effect, Sino-U.S. relations will gradually be restored and improved. The three joint communiques issued by China and the United States serve as a foundation for the two countries' relations. As long as both sides look to the future, seek common ground, reserve their differences, and develop their relations on the basis of common interests, Sino-U.S. relations will develop and progress.

Japan is our close neighbor. China and Japan are two major nations in Asia. Therefore, maintaining friendly relations with Japan is of major importance to preserving peace in the Asia-Pacific region—and even throughout the world.

After two years of efforts by both sides, Sino-Japanese relations have completely returned to normal. Japan is China's biggest trade partner. After assuming office, Prime Minister Kiichi Miyazawa indicated his readiness to develop Sino-Japanese friendship. Next year will be the 20th anniversary of the normalization of Sino-Japanese diplomatic relations, and both sides will hold a number of anniversary celebrations, during which all kinds of exchanges and contacts will increase. Exchanges between Chinese and Japanese young people are very significant and will enable the Sino-Japanese friendship to take root in the people's hearts and be handed down from generation to generation.

China Was the First to Propose New International Order

[ZHONGGUO QINGNIAN BAO] The establishment of a new international order has become a favorite topic in the world. Please review the Chinese Government proposals and the significance of setting up a new international order.

[Qian] The tremendous changes in the international situation of the recent past, has led to widespread concern over what form the international system will take. Some Western politicians have said that the world could now be unified under Western values, whereas developing nations hope for the establishment of a new, democratic, and peaceful political and economic order.

China was the first to propose the establishment of a new international order. In 1988, Comrade Deng Xiaoping told some foreign guests: "We should now discuss the

problem of establishing a new international order. In the past, international politics was characterized by hegemony and bloc [ji tuan 7162 0957] politics. Bloc politics is by its nature unequal. The Five Principles of Peaceful Coexistence can withstand the test of time and preserve peace. The five principles serve countries of different systems and different development degrees as well as neighboring countries."

The Five Principles of Peaceful Coexistence were first raised by Premier Zhou Enlai while meeting an Indian Government delegation in 1953. Subsequently, the content and spirit of these five principles were entered in the 10 principles approved by the Bandung Conference in April 1955. The five principles are: Mutual respect for territorial integrity and sovereignty, mutual nonaggression, mutual noninterference in one another's internal affairs, equality and mutual benefit, and peaceful coexistence.

In September this year, experts and academics from 26 countries on five continents attended the "Beijing Seminar on a New International Order." The participants took a deep interest in China's proposal on setting up a new international order according to the Five Principles of Peaceful Coexistence and held heated discussions on this problem.

Historical facts and reality have shown that relations between countries will develop smoothly as long as these countries abide by the Five Principles of Peaceful Coexistence, regardless of different social systems, different ideologies, and setbacks in their relations. A breach of these principles will lead to conflicts, clashes, turmoil, and confusion.

Of course, the establishment of a new international order is a prolonged and complex process which is full of struggle; it is also a process of gradual advance and constant improvement.

International Situation Will Still Remain Turbulent and Changeable

[ZHONGGUO QINGNIAN BAO] As 1991 ends, please give us your estimate of how the international situation will develop in 1992.

[Qian] The international situation in 1992 will still be turbulent, changeable, and difficult to forecast.

Old contradictions will remain unsolved and new contradictions will arise. It is difficult to even begin to see any alleviation of the turbulent Soviet situation and its economic difficulties. In particular, the deepening union crisis will affect the stability of the international situation. We can hardly expect improvement in the difficult economic environment facing developing nations. The gap between northern prosperity and southern poverty is widening. While providing economic aid, developed nations set political terms and interfere in others' internal affairs, thereby bringing about unrest in some countries' politics.

Peace and development nevertheless are the common wish of people around the world and are also the main trend of international relations. All countries can overcome their difficulties and move toward a prosperous tomorrow as long as they abide by the principles of mutual respect, equal consultation, mutually beneficial cooperation, and friendly coexistence.

U.S. President Continues Asia-Pacific Visit

Arrives in Tokyo for Trade Talks

OW0701130892 Beijing XINHUA in English
1237 GMT 07 Jan 92

[Text] Tokyo, January 7 (XINHUA)—U.S. President George Bush arrived here this evening from Osaka for a critical four-day visit which Washington hopes will break down Japanese trade barriers and breathe new life into the country's ailing economy.

During his stay in Japan, Bush is scheduled to hold two rounds of talks with Japanese Prime Minister Kiichi Miyazawa covering bilateral trade issues and international affairs.

Bush, who is on the last leg of a four-nation Asia-Pacific trip which has taken in Australia, Singapore and South Korea, is being accompanied by 21 U.S. business leaders.

These include the top executives of the "big three" automakers, Chrysler, Ford and General Motors.

"The first priority (in talks between Bush and Miyazawa) will be the auto issue," a senior government official said today.

Japanese exports of auto and auto parts account for some three quarters of the 41 billion dollars U.S. trade deficit with Tokyo.

Japan currently enjoys a more than 30 percent share of the U.S. auto market, while American car manufacturers can point to a paltry one percent share of the Japanese market.

As the U.S. recession took hold, in mid-December last year, General Motors announced it would close 21 plants and eliminate 74,000 jobs by 1995.

Other trade frictions on the table include the opening of Japan's closed rice market, computer trade and further deregulation of Japan's financial markets.

After their talks, the two government leaders are expected to announce a "Tokyo Declaration" to underscore the importance of bilateral cooperation.

An "action plan" will be also issued to encompass specific economic, political and diplomatic measures.

Last month, U.S. Congressional Democrats unveiled a bill which would require Japan to scrap its huge trade imbalance with the United States over the next five years.

Failure to do so would bring curbs on its automobile sales to the States.

Analysts say Bush's visit to Japan symbolizes a shaky start to future Japan-U.S. economic relations as the U.S. struggles with economic recession and a soaring trade deficit with Japan.

Earlier in the day, Miyazawa said Japan should do its utmost to respond to U.S. requests to buy more American products.

"We must do what we can," he said.

"I want to contribute to the friendly relationship between Japan and the United States," he added.

Observers have begged the question as to what Japan can do in reply to America's call for a "global partnership".

How this question will be answered still remains to be seen.

This is the first state visit to Japan by a U.S. president since former President Ronald Reagan came in 1983.

George Bush will attend a welcoming ceremony Wednesday morning at the state guest house in Tokyo.

He will then call on Emperor Akihito and Empress Michiko at the Imperial Palace, before embarking on crucial talks with Miyazawa which will carry over into Thursday.

Bush, Miyazawa Open Talks

OW0801090692 Beijing XINHUA in English
0808 GMT 08 Jan 92

[Text] Tokyo, January 8 (XINHUA)—Visiting U.S. President George Bush and Japanese Prime Minister Kiichi Miyazawa today held their first round of talks on bilateral trade and the main international issues of mutual concern.

U.S. National Security Adviser Brent Scowcroft told reporters after the talks that the two leaders agreed to act together to boost growth in a lagging world economy.

A statement would be made public later today on a U.S.-Japanese joint plan to stimulate world economic growth, Scowcroft said, adding they would encourage Europe to participate in the plan.

Bush and Miyazawa held their first round of crucial trade talks at lavish Akasaka Palace, a government guest house in central Tokyo.

"We've got to iron out these differences between us so that we can go forward without tensions mounting and dividing up the world into trading blocs," Bush said.

He told a meeting of U.S. businessmen and key Japanese trade officials that their talks were also focusing on international security issues and economic friction.

They agreed a strong U.S.-Japanese relationship was essential to continue a post-cold war trend towards world peace and stability.

Miyazawa told the gathering that Bush and he were "working hard to advance our bilateral relationship, including its economic aspects, not only for the sake of our two countries, but also for the rest of the world."

The Bush-Miyazawa trade talks are the finale of Bush's 12-day four-nation Asia-Pacific tour which already took him to Australia, Singapore and South Korea.

Bush is under intense political pressure to bring home trade concessions from Japan, while Miyazawa, who also faces an important election test this year, appears determined to make Bush's visit a success.

Bush arrived here Tuesday morning. Just a few hours after Bush's arrival for sightseeing, Japan announced a further five billion dollars in trade insurance to boost exports by U.S. companies as part of a series of measures to encourage its imports of foreign products.

Discuss Auto, Rice Trade

OW0801102192 Beijing XINHUA in English
0935 GMT 8 Jan 92

[Text] Tokyo, January 8 (XINHUA)—The first round of trade talks here today between visiting U.S. President George Bush and Japanese Prime Minister Kiichi Miyazawa focused on auto trade and rice imports, a Japanese Foreign Ministry official said.

The two leaders also discussed private-sector economic cooperation and the stalled round of Uruguay round trade talks, the official said.

Bush, under intense political pressure to bring home trade concessions from Japan, is here to press Japan to boost imports of U.S. automobiles and auto parts so as to help narrow Tokyo's existing trade surplus with Washington.

U.S. statistics say its automobile trade accounts for 75 percent of trade deficit of over 40 billion dollars.

Japan is prepared to set a 19-billion-dollar target for importing American-made auto parts in fiscal 1994, doubling the 8.6 billion dollars of purchases in 1990, Japanese Government sources said.

In addition, the United States has also pressed Japan to open its rice market. But Japan had insisted it need to protect its rice farmers to ensure self-sufficiency in food.

Details of the first round of trade talks are expected to be released in an "auction plan" after their second round of talks Thursday, the sources said.

On security and political issues, Bush expressed concern about nuclear weapons in the former Soviet Union and the direction of economic reforms in the Commonwealth of Independent States (CIS).

He told Miyazawa that the U.S. expects a coming international conference in Washington on aid to the CIS to come up with a specific set of measures.

Bush, the first U.S. president to visit since former President Ronald Reagan came to Japan in 1983, arrived here Tuesday morning for a four-day state visit. Japan is his final leg of four-nation Asia-Pacific tour which has taken to Australia, Singapore and South Korea.

Academy of Sciences Resumes Ties With West

OW0601125492 Beijing XINHUA in English
1232 GMT 6 Jan 92

[Text] Beijing, January 6 (XINHUA)—The Chinese Academy of Sciences (CAS) has seen a resumption of its scientific and academic cooperation and exchanges with the West in 1991, according to an official from CAS here today.

"CAS has resumed its ties with the American Academy of Sciences," said Professor Hu Qiheng, vice-president of CAS; "the Americans sent several specialist groups to visit CAS and its field stations last year to discuss cooperation in agriculture, grassland, ecological system and global changes."

According to Professor Hu, Chinese and American scientists have entered a new era of collaboration in high energy physics. American physicists are now doing scientific experiments at the internationally-known Beijing Electron-Positron Collider Lab, a physical laboratory studying the fundamental structure of matter and the universe.

CAS sent an official delegation to visit the British Royal Society last year, and thus resumed the suspended ties with that scientific institution, she said.

With Germany, the joint program for training doctoral students in experimental physics between CAS and the Volkswagen Automobile Company started last October. CAS has also signed another exchange agreement with Max-Planck Society to continue its longstanding ties with that institution.

CAS has also agreed to do research on desertification with the Japanese Ministry of Science, and has reached understanding or signed cooperative agreements with South Korea's Scientific Financial Group, Mongolian Academy of Sciences, and Israeli Academy of Science and Humanities.

Sino-foreign scientific cooperation has speeded the construction of some of China's research facilities, which include the wind power station at Zhejiang Province and the aquarium of Wuhan Institute of Hydrobiology, according to Hu.

In other developments, the American Academy of Sciences has given financial support to CAS in their joint research of agricultural and fishery projects; and the World Bank has supported 20 key laboratories of CAS and has also agreed to lend money to CAS in its construction of research facilities for ecological research.

'Year-End' Views Arab-Israeli Peace Talks

OW2512091491 Beijing XINHUA in English
0834 GMT 25 Dec 91

["Year-End" by Li Zhurun: "No Hope for Immediate Breakthrough, But Peace Negotiations To Continue"]

[Text] Cairo, December 25 (XINHUA)—At least they are still willing to discuss peace—this is the only bright news for the U.S.-brokered Arab-Israeli negotiations as the year 1991 draws to a close.

Following a ceremonial start in Madrid in late October, the peace talks continued this month in Washington at the repeated urging of the United States. After two weeks of diplomatic wrangling at the State Department building, the only positive news was that the conflicting sides agreed to resume the talks in January, although the exact date and venue were yet to be fixed.

Israeli officials continued to press for moving the talks to the Middle East, while the Arabs insisted, as strenuously as ever, that the talks be continued in Washington or a European city, in order not to give the Jewish state an additional measure of legitimacy before it makes territorial concessions.

Frustrated and angry, Palestinian negotiators demanded more U.S. pressure on Israel to get the talks moving out of the impasse over procedure. But will Israel yield to U.S. pressure if any? Prime Minister Yitzhak Shamir has said that his country is not to be dictated.

By dint of pushing and luring, U.S. Secretary of State James Baker managed, after eight exhausting trips to the Middle East, to pack the Israelis and Arabs into a "bus" supposedly to head for peace.

The road ahead, however, will be bumpy, long and tortuous and, given the depth of the mistrust and enmity between the conflicting sides, the "bus" may break down at times.

The core of the dispute, as always, is land versus security. The Arabs demand return of their territories captured by Israel in the 1967 Middle East war. Israel, however, wants formal, binding peace treaties and, up to now, has shown no sign of compromise on territory.

Lebanon wants Israel to withdraw from a 1,100 square kilometer buffer zone in south Lebanon. In reply, Israel demands security guarantee and departure of Syrian troops from Lebanon.

Israel has promised self-rule to the Palestinians in the West Bank and Gaza Strip under its occupation. The

Palestinians, on their part, have made it clear that any settlement must lead to an independent Palestinian state which Israel is unlikely to accept.

Syria, eager to recover its Golan Heights lost to Israel in 1967, has repeatedly accused Israel of reluctance to negotiate on the basis of U.N. Security Council Resolutions 242 and 338 which can best be summarized as the "land-for-peace" principle.

Israel sticks to its own interpretation of the resolutions, asserting that it has already honored them by returning to Egypt the Sinai Peninsula after the 1979 peace accord.

The seemingly intractable differences naturally prompt worry about the future of the peace talks.

When the Palestinian negotiators returned from Madrid, they received a hero's welcome from crowds of olive branch wavers. The Palestinians saw the Madrid parley as a victory, in that for the first time in the 24 years of Israeli military occupation, their representatives were treated as equals and were able to present their case to a world audience.

But, if the talks drag on too long without meeting the Palestinians' minimum demand—autonomy and an end to Israeli occupation, frustration may lead to intensified uprising. "We have to achieve something for them in one year," said Palestinian negotiator Furayh Abu-Middayn.

Benjamin Netanyahu, Israeli deputy information minister and spokesman for the Israeli delegation, has indicated that he expects "ultimate negotiations three or four years down the line." But who knows what Israeli hawks would do during these years to the peace process?

This potential danger does not stem from sheer imagination. Shamir, also head of the hardline Likud bloc, has already indicated that if he is pressed too hard to make territorial concessions, he may move up the date for the national elections scheduled for November 1992, thus breaking the peace process.

Despite these and other ups and downs, the "bus," its engine already started, is expected to snail along, creaking and swaying all the way to peace for a region ravaged by five bloody wars between the Arabs and Israelis in a little more than four decades.

The majority of the Israelis, including a significant number of Likud members, favor peace, having lived in constant fear for so many years and devoted so much of the country's limited human and material resources to war and suppression of the Palestinian uprising. The peace talks "are in the interests of Israel," conceded Foreign Minister David Levi.

The Arabs, too, have learned proper lessons from their conflict with Israel. Their ranks split and strength weakened as a result of the Gulf crisis. They are abandoning their policy of no negotiation, no recognition and no peace toward Israel, which was adopted at an Arab summit in Khartoum shortly after the 1967 war.

The Palestinians, the weakest party in the negotiations, are the most eager to change their status under Israeli occupation. In principle, they agree to accept the self-rule formula although hard bargaining is expected when the permanent status of the occupied territories is negotiated.

President George Bush of the United States openly acknowledged disappointment with the two sides "spending too much time talking of modalities and locations" instead of quickly shifting to matters of substance. Meanwhile, he pledged to continue acting as an "honest broker" and "catalyst" in the peace process. Already under fire at home for severe economic and social problems, Bush evidently wants to achieve something for his Middle East peace effort before next year's presidential election.

Let's hope for the best—that, probably, is the best summary of the current Middle East peace process.

Russia To Keep Cuban Political, Economic Ties

OW0401024792 Beijing XINHUA in English
0230 GMT 4 Jan 92

[Text] Moscow, January 3 (XINHUA)—Russia will continue political and economic cooperation with Cuba, a spokesman of the Russian Foreign Ministry said here today.

Vitaliy Churkin, who was information chief of the former Soviet Foreign Ministry, told a press conference that Russia and Cuba will develop bilateral relations based on "mutual respect for free choices, non-interference in each other's internal affairs, equality and partnership."

Churkin said it had been made clear that the two sides should develop trade and economic cooperation at world market prices.

According to Churkin, talks on the withdrawal of a Soviet military training brigade from Cuba continues, and any further military cooperation between the two countries will be conducted in a businesslike manner.

Churkin also announced that the Russian Federation has obtained recognition from 105 states.

He also said Russia is ready to support the admission of other independent states of the Commonwealth to the United Nations.

United States & Canada

Expelled Canadian MP's To Urge Retaliation

HK0801070092 Hong Kong AFP in English
0639 GMT 8 Jan 92

[Text] Hong Kong, Jan 8 (AFP)—Three Canadian members of parliament who were expelled from China while probing human rights issues said Wednesday they would press Ottawa to retaliate against Beijing.

Geoff Scott, Beryl Gaffney and Svend Robinson arrived in Hong Kong on Tuesday after police detained them for two hours, then hustled them onto a plane, cutting short their three-day fact-finding mission.

At a news conference Wednesday, the MPs said they would urge Prime Minister Brian Mulroney's government to restrict economic aid to China, currently running at 40 million Canadian dollars (35 million U.S.) a year.

"Canada is a major contributor to the economy of China and I would only expect that they (the Canadian Government) would possibly consider restricting or withdrawing aid to China," said Gaffney, of the opposition Liberal Party.

"There is no doubt that we, as part of the international community, have to move in that direction," she said. "We can no longer tolerate human right abuses in China."

"Aid and trade with China should be tied to human rights," added Scott, from the ruling Progressive Conservative Party, "and I would certainly go on the record as supporting that kind of initiative down on the road by the Government of Canada."

Robinson said Canada's relations with China would be reviewed, and recommendations put forth to the Canadian Government, in the wake of the incident, in which the MPs said they were "kidnapped" and manhandled.

"The purpose is to examine in detail all aspects—economic, political and others—on the bilateral relationship between Canada and China," the New Democratic Party MP said.

The MPs' expulsion came after they had met relatives of two prominent dissidents, Wang Juntao and Chen Zemin, and before they planned to lay flowers at the grave of a leader of the 1989 democracy movement who died recently.

The Chinese Foreign Ministry has said they were expelled for "activities inconsistent with their capacities, [no closing quotation marks as received] but the MPs said they had told Chinese authorities of their intentions even before they left Ottawa.

Party Warns of Renewed U.S. 'Containment Policy'

*OW0801121892 Tokyo KYODO in English
1130 GMT 8 Jan 92*

[Text] Beijing, Jan. 8 KYODO—The Chinese Communist Party has called on its members to be on the alert, saying that the United States is using a new containment policy toward China, Chinese sources said Wednesday.

The sources said the party has issued an internal document on the matter.

"President Bush has become arrogant more and more after succeeding in the Persian Gulf war and the collapse

of the Soviet Union, and is now setting a goal of destroying the socialist system of China," the document says.

"Bush's Asian trip is part of his containment policy of China. His visit to Singapore, South Korea, and Japan has a symbolic significance of pressuring China from its fringe," it said.

The U.S. is aiming at peaceful evolution of China because it failed to overthrow China's system in the 1950-53 Korean War, the document said.

"The United States is digging a tunnel under the great wall of socialism and trying to attack from inside," it said.

"The Soviet Union abandoned true socialism a long time ago. We do not fear however the world may change since we maintain socialism with Chinese character. China has developed economically and the people are satisfied," the document said.

Panel Recommends U.S. Reduce Nuclear Weapons

*OW0601213792 Beijing XINHUA in English
2010 GMT 6 Jan 92*

[Text] Washington, January 6 (XINHUA)—A key military advisory panel recommends that the U.S. nuclear strategic weapons be slashed by more than half from its current level and retargeted against "every reasonable adversary", THE WASHINGTON POST reported today.

But critics said the recommendations by the panel of current and former Pentagon officials, whose advice was sought by Air Force General Lee Butler, the commander in chief of the U.S. Strategic Forces, still represent "vintage cold war thinking."

A report prepared for Butler by the panel proposes that the United States maintain a roughly 5,000-warhead arsenal in next few years, which is 6,000 fewer long-range nuclear warheads than the 11,000 the United States currently deploys and 4,000 fewer than allowed by the Strategic Arms Reduction Treaty.

The reports says that further cuts may eventually be warranted, but that the U.S. arsenal should remain larger than the total number of French, British and Chinese nuclear arms. The total nuclear stockpile of the three are estimated at 1,500 warheads now and is expected to grow to 2,000 within a few years.

It also recommends that U.S. strategic weapons, now aimed mainly at the former Soviet Union, be retargeted against "every reasonable adversary" whether it is a nuclear power or non-nuclear Third World country.

Although the recommendations were supposed to help U.S. military face the realities of the post-cold war era, several independent experts who reviewed the advisory

report said that it does not go far enough in urging deep nuclear weapons cuts, THE WASHINGTON POST said.

"The analysis represents only a very marginal change from cold war thinking," said former Secretary of Defense Robert S. McNamara, who recently wrote in the journal FOREIGN AFFAIRS that the United States should aim for a strategic arsenal of just 1,000 warheads.

John Steinbruner, director of foreign policy studies at the Brookings Institute, said "the tenor of the report is to preserve the (nuclear arms) business as best one can, while recognizing that a lot has changed."

Bush Considers New Cuts in Military Spending

OW0301175092 Beijing XINHUA in English
1645 GMT 03 Jan 92

[Text] Washington, January 3 (XINHUA)—U.S. President George Bush is considering to take further cuts in U.S. military spending and use the savings for domestic spending or tax cuts, the WASHINGTON POST reported today.

For this purpose, Bush has singled willingness to renegotiate the 1990 budget agreement with the Congress which only allows savings in military spending to be used to reduce federal budget deficit.

In an interview to be broadcast this evening, Bush, who has resisted reopening of the budget negotiation, said that "there may be room for some maneuvering" within the budget agreement, the POST reported.

According to the newspaper, the new military budget cuts will be announced in Bush's State of the Union address on January 28, although final decisions have not been made on the size and items of the reduction.

A senior Bush administration official was quoted as saying that any savings in defense are "likely" to be used to pay for a middle-class tax cut to stimulate the sluggish economy.

The U.S. Defense Department has already announced a 25 percent reduction in the size of the armed forces between 1990 and 1996, following the decline of threat from the now-defunct Soviet Union.

But it is believed that the Pentagon has been asked to outline 50 billion dollars in new defense savings over five years beyond the cuts already envisaged by the military planners, the POST said.

The new cuts may end the B-2 Stealth bomber program, already plagued by technological flaps and cost overruns, ground the aged fleet of B-52s and defer construction of an aircraft carrier, it reported.

Central Eurasia

Editorial Reviews Relations With CIS Republics

HK0801094592 Beijing RENMIN RIBAO in Chinese
8 Jan 91 p 1

[Editorial: "Wishing Sino-Russian Relations to Further Develop, Congratulating Establishment of Diplomatic Relations Between China and Uzbekistan, Other Countries"]

[Text] In late December 1991, the Chinese Government's representatives and the Russian federal government's representatives held talks and exchanged opinions on some major issues concerning bilateral relations. They also signed a summary of the talks. Both sides reaffirmed that the principles set forth in the two joint communiques concluded by China and the Soviet Union in 1989 and 1991 will continue to be the guiding principles for Sino-Russian relations. They also expressed their willingness to take over the commitments stipulated by the treaties and agreements signed by China and the former Soviet Union and to further develop their good-neighborly and friendly cooperative relations on the basis of the Five Principles of Peaceful Coexistence. Between 2 and 6 January 1992, China separately signed communiques with the Republic of Uzbekistan, the Republic of Kazakhstan, Ukraine, the Republic of Tadzhikistan, the Republic of Kirgizstan, and Turkmenistan, announcing the establishment of diplomatic relations at the ambassadorial level. These were important events in the annals of state-to-state relations between China and these countries, and we extend warm congratulations.

These countries were all union republics of the former USSR. With the establishment of the Commonwealth of Independent States [CIS] in late 1991, the USSR ceased to exist. The Chinese Government's consistent position in international relations has been to resolutely pursue the Five Principles of Peaceful Coexistence, to not interfere in the internal affairs of other countries, and to respect the choices of other peoples. Proceeding from this principled position, the Chinese Government has officially announced that it recognizes the independence of the government of the Russian Federation and the other 11 republics.

China is always ready to establish and develop relations with other countries in the world on the basis of the five principles, namely, mutually respecting each other's sovereignty and territorial integrity, nonaggression, noninterference in one another's internal affairs, equality and mutual benefit, and peaceful coexistence. China and the republics of the former USSR are friendly neighbors. The Chinese people share traditional friendship with the people in those countries, and both sides have good cooperative relations. We appreciate that the governments of these countries have indicated their respect and support for the Chinese Government's consistent and principled position on the Taiwan issue. China is willing to hold talks with other former USSR republics on the

matter of establishing diplomatic relations. We sincerely hope that China's friendly and cooperative relations with the Russian Federation, the Republic of Uzbekistan, the Republic of Kazakhstan, Ukraine, the Republic of Tajikistan, the Republic of Kyrgyzstan, Turkmenia, and other republics of the former Soviet Union will continue to develop.

Du Xianzhong Meets With Russian Delegation

SK0801085892 Harbin HEILONGJIANG RIBAO
in Chinese 18 Nov 91 p 1

[Text] Vice Governor Du Xianzhong met with the 10-member Russian Soviet Federated Socialist Republic (RSFSR) delegation of the Ministry of Foreign Affairs and the Foreign Economic Liaison Department led by (Ivan Luofu), director of the Department of Asian-Pacific Regional Affairs, at Huayuancun Guesthouse this evening.

The delegation arrived in Harbin yesterday evening to discuss opening trade outlets with the Heilongjiang Provincial Government on behalf of the RSFSR Government, as stipulated in the summary of the regular meeting of the Sino-Soviet Economic, Trade, Scientific, and Technological Cooperation Committee held in April this year.

On behalf of the provincial government, Du Xianzhong welcomed the Russian officials.

Du Xianzhong said: The trade development trend of Heilongjiang Province and the RSFSR is good. Since 1988, Heilongjiang Province has established trade partnerships with more than 780 enterprises in 41 oblasts, 10 autonomous Soviet Republics, and seven RSFSR maritime krays. The trade contracts involved 8.7 billion Swiss francs, and the delivery of goods involved 1.87 billion Swiss francs; we have signed 445 economic cooperative contracts, of which 165 were filled; and we have sent 35,000 labor service workers to the Soviet Union. The opening of new trade outlets will be very conducive to economic and trade cooperation as well as scientific and technological exchange between both sides.

(Ivan Luofu) said: The opening of new trade outlets is conducive to the development of contacts and trade between the RSFSR maritime krays and oblasts and Heilongjiang Province.

According to an introduction given by the provincial Foreign Foreign Affairs Office, the provincial government delegation held talks with the RSFSR delegation on new outlets today. Both sides unanimously agreed to gradually open up five outlets to their counterparts beginning in 1992. The outlets of our side are Raohe, Mishan, Hulin, Luobei and Jiayin; and the outlets of the Soviet side are Bikin, (Kamianleiboluofu), Lesozavodsk, (Amuerjiete) and (Basikewo).

Also present at the meeting were Wang Yaochen, director of the provincial Foreign Affairs Office; Cai

Kaifu, vice chairman of the provincial Economic and Trade Committee and director of the provincial Border Trade Bureau; and Zhang Kuichen, director of the provincial port office.

Du Xianzhong Meets Soviet Maritime Kray Group

SK0701085492 Harbin HEILONGJIANG RIBAO
in Chinese 17 Nov 91 p 1

[By Reporter Yang Tianzhuo (2799 1131 4192): "Du Xianzhong Meets With Guests From the Soviet Union"]

[Text] On the afternoon of 16 November at the provincial supply and marketing cooperative, Du Xianzhong, vice governor of the provincial government, met with (Aerjeyes), vice chairman of the Maritime Kray Soviet Executive Committee; and (Litevienk), chairman of the Kray consumption cooperative.

On behalf of the provincial government, Du Xianzhong gave the guests a warm welcome.

Du Xianzhong said: Over the past year, rapid headway has been made in the border trade between Maritime Kray and Heilongjiang Province. The value of goods delivered reached 5 million Swiss Francs this year. This was an extremely gratifying situation.

Du Xianzhong said: The Maritime Kray is one of Heilongjiang Province's largest trading partners. We hope that both sides will be able to expand trade contacts and cooperatively run joint ventures.

(Aerjeyes) said: This is my seventh trip to China. Heilongjiang Province's supply and marketing cooperative is our Kray's best trading partner. Our purpose in visiting Heilongjiang this time is to discuss implementing the previous trade contract and economic cooperation and trade development in 1992.

He also said: We do not need the approval of both Moscow and the Maritime Kray to run joint ventures. The Kray has the right to directly develop trade with foreign countries. Heilongjiang Province and Chinese entrepreneurs are welcome to invest, run enterprises, and do business in the Maritime Kray.

The Soviet guests arrived in Harbin on 16 November at the invitation of Li Shuren, director of the provincial supply and marketing cooperative.

Northeast Asia

Analysis of Japan's Economic 'Adjustment'

OW0501134392 Beijing XINHUA in English
1259 GMT 5 Jan 92

["News Analysis" by Zhu Ronggen: "Japan's Economy Enters Adjustment Period"]

[Text] Tokyo, January 5 (XINHUA)—With the collapse of the bubble economy built on speculative real estate

and stock deals, the Japanese economy has entered a period of correction and adjustment.

Economists differ with each other, but most of them agree the Japanese economy has slowed down but is unlikely to slip into a deep recession.

They also predict although there will be one or more hard years ahead for Japan, the real Japanese economy is still strong and will adapt and rebound again strongly.

In December, Japan entered its 61 consecutive month of expansion, breaking a 57-month record for the longest period of postwar expansion. But the general view is that actually Japan is no longer in an expansionary phase.

Both leading and coincident economic indicators for October in 1991 stood at zero in an apparent confirmation of Japan's economic slowdown.

It was the first time since 1957 that both the leading and coincident indicators stood at zero at the same time. It was also the first time since September 1980 that the leading index stood at zero and since February 1982 for the coincident index.

The Economic Planning Agency attributed the slumping leading indicator to weak investment-related results, such as machinery orders, and inventory-related figures. Shipment of durable goods also withered, triggered by decline of compact cars.

The coincident indicator's hold at zero means economic conditions are declining in all areas. The coincident index, which includes production and employment figures, was weakened by production-related and employment-related factors.

Declining investment in buying and building houses and apartments played the biggest role in Japan's economic slowdown in 1991.

Growth in personal consumption and corporate capital spending, the main engines of Japan's recent economic expansion, has been slowing.

Most economists say fiscal 1992, starting in April, will see the final, lingering effects of the so-called "bubble economy."

The bubble economy began to burst in 1990, triggered by the collapse of spiraling stock and land prices, as the Nikkei Stock Average of 225 selected issues on the Tokyo Stock Exchange (TSE), which came close to the 39,000 point level in December 1989, fell to under 23,000 points by July 1991. It closed out 1991 just below the 23,000 mark.

Capital investment is seen shrinking to single-digit growth in fiscal 1991, after setting frantic double-digit gains over the past few years.

The inflation-adjusted growth of Japan's gross national product (GNP) began to slide in 1991. After posting a 2.0 percent growth rate in the first quarter compared with

the quarter before, the growth plummeted to 0.7 percent in the second quarter and slowed further to 0.4 percent in the July-September period.

Economists, while generally pessimistic about Japan accomplishing the government's target of 3.5 percent GNP growth in fiscal 1992, expect economic conditions to begin to improve later this year or at least hope the slowdown will stop.

They say the effects of lower domestic interest rates, the lifting of restrictions on bank lending to real estate firms, a slight recovery in housing starts and auto sales, and an improvement in inventory figures, should all help revamp Japan's economy, while being supported by stable domestic prices and consumer spending as well as an expected recovery of the world economy.

But critics say none of these factors is capable of serving as a major locomotive for Japan's 409 trillion yen (3.15 trillion U.S. dollars) economy and thus recovery will probably be gradual.

The Japanese economy is putting on the brakes to change from the high 6 percent growth in the GNP of past years to a more sustainable 4 percent per year.

The current fiscal year to March is expected to show growth between 3.3 percent and 3.7 percent, against 5.5 percent for fiscal 1990, and a 4.6 percent gain in fiscal 1989.

While the Japanese economy was measurably deflated, it still tops the industrialized world.

The government is counting on a growth of 3.5 percent in fiscal 1992, but economists project growth between less than 3 percent and 3.3 percent.

Despite full employment, low inflation, record foreign trade surpluses and a huge pool of savings, pessimism that would seem more appropriate in Europe or North America has sunk into the Japanese business community.

Some economists argue that the current economy is much weaker than the government is trying to paint it. To the Japanese, a less than 3 percent GNP growth seems like recession.

According to an official report, industrial production continued to show a flat to negative trend, while housing in last September fell by 26.6 percent from the previous year's level.

Capital investment spending by Japanese companies during the current fiscal year of 1991 will grow by a puny 4.8 percent from the previous year, well below the government's prediction of 7.9 percent increase.

Growth in sales at department stores plummeted to 1.5 percent in September.

Corporate bankruptcies during the first half of fiscal 1991 jumped 70.8 percent to 5,244 cases, with debts left behind surging 385.2 percent to a half-year record of 3.8 trillion yen (30 billion U.S. dollars).

A sharp 11.4 percent year-on-year inventory rise was also regarded as one factor which will help put a cap on economic growth.

But economists largely agree that the government's fight against asset inflation is now over and that there is no danger of a resurgence of speculation bubbles, which bloated stock and land values to unsustainable levels in the late 1980's.

Trade friction is expected to be a major economic issue in fiscal 1992 as Japan's trade surplus is likely to top 100 billion U.S. dollars on the back of steady exports and falling imports due to the slowdown of the economy.

Government officials are trying to steer the economy to a soft landing.

The chosen methods are monetary policy, notably a decline in interest rates, and, on the fiscal side, an increase in public spending.

"Our priority is to regain the confidence of investors in the capital markets, and to continue to correct excessive real estate prices while at the same time avoiding a too-strong economic slowdown," a top Finance Ministry official said.

The three cuts in the Japanese Central Bank's official discount rate in 1991, the last one on December 30, were designed to prop up domestic demand, and help slash Japan's ballooning trade and current-account surpluses.

Many economists believe that Japan's economy will be sluggish during a transitional phase in the first half of fiscal 1992, mainly because of reduced investment in plant, equipment and housing.

They predict that the decelerating Japanese economy will bottom out around summer, then gradually pick up after that, and take off again by the end of this year.

But Kenji Mizutani, managing director of Tokai Bank, disagreed. He said, "The economy has been growing for a long period. There's a saying that if the mountain is higher, the valley is deeper. I think that Japan will go deeper into recession in 1992."

Comparison of Li Peng-Watanabe Meeting

CM0801154192

Beijing XINHUA Domestic Service in Chinese at 1333 GMT on 4 January carries a report on Chinese Premier Li Peng's meeting with Japanese Deputy Prime Minister and Foreign Minister Michio Watanabe on 4 January. The XINHUA Chinese version has been compared to the English version published in the 6 January China DAILY REPORT, page 16, revealing the following variations:

Column one, paragraph one, only sentence reads: ...Japan, here today.

According to a spokesman for the Ministry of Foreign Affairs, Li Peng warmly welcomed Watanabe. Watanabe

expressed his thanks and pleasantly recalled the two previous meetings he had with Li Peng.

The meeting began with Watanabe passing a letter from... (providing additional material; deleting second paragraph and "According to a Chinese Foreign Ministry spokesman")

Column two, paragraph eight, only sentence reads: ...of common concern.

State Councillor and Foreign Affairs Minister Qian Qichen, Vice Foreign Minister Xu Dunxin, and Japanese Ambassador to China Hiroshi Hashimoto were present at the meeting.

In the evening... (providing additional material)

Southeast Asia & Pacific

Yang Shangkun Meets Singapore President

OW0801014692 Beijing XINHUA Domestic Service in Chinese 1454 GMT 7 Jan 92

[By reporters Ma Shengrong (7456 0524 2837) and Cai Ximei (5591 6932 2734)]

[Text] Singapore, 7 January (XINHUA)—Visiting Chinese State President Yang Shangkun said today that China, along with the ASEAN countries, will continue to promote peace and development in the region and in the world as a whole.

According to Chinese officials accompanying President Yang on his visit, President Yang made the remark during a meeting with Singaporean President Wee Kim Wee at Istana Palace this afternoon.

President Yang Shangkun arrived here this afternoon for a four-day state visit to Singapore.

President Yang said: "In spite of the current volatile situation in the world, the Asian-Pacific region is moving toward political stability and is maintaining the dynamism of economic development. This is a product of joint efforts by various countries in the region."

He said: "The current international situation has undergone great changes. The world is now caught in a tangle of various contradictions. There are indications, however, that the world is moving toward multipolarity."

He said: "China and Singapore share many common grounds on international issues. They both maintain that countries should live together in peace, without interfering in each other's internal affairs, and that all countries, regardless of their sizes, should equally participate in international affairs."

President Yang praised President Wee Kim Wee's views expressed during his visit to China last year regarding hopes for a period of cooperation instead of confrontation.

Calls for Regional Development

OW0701153792 Beijing XINHUA in English
1512 GMT 7 Jan 92

[Text] Singapore, January 7 (XINHUA)—Visiting Chinese President Yang Shangkun said here today that China will, along with ASEAN countries, make further efforts for peace and development in the region and the world as a whole.

Yang made the statement during a meeting with his Singapore counterpart Wee Kim Wee at the Istana (presidential) Palace shortly after his arrival.

The Chinese president arrived here this afternoon for a four-day state visit to Singapore.

According to official sources accompanying the Chinese president, the two leaders discussed regional and international issues during the meeting.

President Yang said, "In contrast to the volatile international situation, the Asia-Pacific region enjoys political stability and vitality of economic development. This has been brought about by the joint efforts of the countries in the region."

The two leaders were satisfied with the development of bilateral relations since the establishment of diplomatic ties in 1990.

President Yang expressed the belief that the friendly cooperation between China and Singapore will further develop with the joint efforts of the two countries.

Pledges Continued Reform

OW0701161492 Beijing XINHUA in English
1601 GMT 7 Jan 92

[Text] Singapore, January 7 (XINHUA)—The Chinese and Singapore presidents stressed here this evening the importance of friendly cooperation between the two countries.

They made the remarks at a dinner given by Singapore President Wee Kim Wee in honor of visiting Chinese President Yang Shangkun.

President Yang said "amicable cooperation" between China and Singapore "has become all the more fruitful and is reaching new depth and width" since the two nations established diplomatic relations in October 1990.

He said, "China and Singapore have all along maintained friendly relations."

"In fact, a sound basis had already existed for the friendly exchanges and cooperation between our two countries before the formal establishment of our diplomatic ties, which has opened up even broader vistas for these bilateral relations," he said.

President Yang said, "China is a populous developing country. More than a decade's efforts at reform and

opening to the outside world have brought us tremendous changes throughout the country."

"At present," he said, "my country enjoys political stability, social tranquillity and sustained economic development."

Yang declared that China will unswervingly deepen the reform and open the door even wider for the country's economic development.

The Chinese president pledged that China is ready to join Singapore in a common effort to strengthen and increase "our friendly cooperation, maintain peace and promote development."

President Wee said in his speech that "our bilateral relations are good and growing. There have been regular exchanges of visits at all levels. Economic ties are well established."

"At the end of 1991 total trade between our countries stood at more than four billion Singapore dollars. Singapore is the fourth largest investor in China," he said.

President Wee said, "We are now moving beyond trade and investments to other areas of economic cooperation. Over time, economic relations will also be supplemented by other linkages."

"This will ensure that our relations will expand and thrive," he stressed.

President Yang arrived here this afternoon for a state visit to this island republic.

He will spend four days in Singapore before heading for Malaysia, the first Chinese head of state to visit the two Southeast Asian countries.

Lauds ASEAN Cooperation

OW0701164892 Beijing XINHUA in English
1632 GMT 7 Jan 92

[Text] Singapore, January 7 (XINHUA)—Chinese and Singapore presidents said here this evening that the Asia-Pacific region is at a stage of stable and steady development.

They made these remarks at a dinner in honor of visiting Chinese President Yang Shangkun at the Istana (presidential) Palace.

Singapore President Wee Kim Wee said in his welcoming speech that despite the profound changes in the world, "the Asia-Pacific region is in a relatively stable and sound condition."

"Most countries in Eastern Asia have good and steady economic growth," he said.

However, the president said that global changes will affect the region. "Peace in Cambodia is very tentative.

The Korean peninsula remains tense. The U.S. and Japan are in the process of reformulating their relationship," he said.

President Wee said, "My government believes a China constructively engaging with, and more fully integrated into, the Asia-Pacific region will be in the interests of all."

In his speech, Chinese President Yang said that China has all along committed itself to the cause of peace and development in the Asia-Pacific region.

He said, "In contrast to the complicated and volatile international situation, the Asia-Pacific region enjoys stability. Its economy keeps growing."

"The political settlement of the Cambodian issue has not only brought about the long-awaited prospect of peace for this region, but also provided various countries with new opportunities for development and cooperation," he said.

The president stressed that "it is an important component of China's independent foreign policy of peace to promote friendly and good-neighborly relations with the surrounding countries."

Yang said that "China attaches importance to ASEAN's (the Association of Southeast Asian Nations) positive role in the region and international affairs and values the friendly relations and cooperation it has established with the ASEAN through their joint efforts for maintaining regional peace over the years."

He believed that closer cooperation between China and ASEAN will not only benefit the two sides but also contribute to peace and prosperity of the region.

The Chinese president arrived here this afternoon for a state visit to the island nation.

He will spend four days here before heading for Malaysia on Friday.

Leaders Review Regional Affairs

OW0701170792 Beijing XINHUA in English
 1655 GMT 7 Jan 92

[Text] Singapore, January 7 (XINHUA)—Singapore Prime Minister Goh Chok Tong called on visiting Chinese President Yang Shangkun here this evening.

Sources accompanying Yang on his visit to Singapore disclosed that the two leaders discussed bilateral relations, international and regional situation and other issues.

The Chinese president arrived here this afternoon for a four-day state visit to the island nation.

During the meeting, President Yang said "the establishment of diplomatic ties between China and Singapore in October 1990 opened a new page in the relations between the two countries."

He hoped that cooperation in the scientific and technological fields will be further strengthened.

Yang said China has achieved great success in carrying out the policy of reform and opening to the outside world in the years of more than a decade.

Prime Minister Goh Chok Tong said that the policy of reform and opening to the outside world has brought great benefit to the Chinese people.

The continuation of such a policy will surely promote China's foreign trade, which will not only benefit China but also the whole region, he said.

On the international and regional situation, the two leaders took notice of the great changes in the past year.

President Yang said that there are still problems remaining to be solved in Asia, but more and more countries stand for consultations in settling disputes.

Goh Chok Tong said that the key to the Cambodian issue is to carry out the relevant U.N. resolutions and the Paris peace agreements.

Presidents View Bilateral Relations

OW0801044392 Beijing XINHUA Domestic Service
 in Chinese 1758 GMT 7 Jan 92

[By reporters Cai Ximei (5591 6932 2734) and Ma Shengrong (7456 0524 2837)]

[Text] Singapore, 7 January (XINHUA)—Singapore President Wee Kim Wee hosted a banquet in honor of Chinese State President Yang Shangkun at Istana Palace this evening.

It was drizzly and breezy in Singapore this evening. A military band struck up melodious Chinese tunes and world-famous songs on the lawn in front of Istana Palace. The banquet hall was filled with joy amid a contrasting blaze of colors between green cypress plants and fresh flowers.

Delivering a welcoming speech in a cordial and friendly atmosphere, President Wee Kim Wee said: President Yang's visit to Singapore has profound significance for bilateral relations between Singapore and China. It also symbolizes the close relationship between the two countries.

Wee Kim Wee said: "Since our meeting in Beijing a few months ago, the Soviet Union has dissolved and been replaced the Commonwealth of Independent States. The world has taken on a new look. The ensuing impact is profound, enormous, and unpredictable. We are in a period of tremendous change. The situation will stabilize only after a certain period. In contrast, the Asian-Pacific region enjoys relative security and stability. Most east Asian countries have achieved sound, stable economic growth. Global changes, however, will affect this region. The peace in Cambodia is tentative. The Korean peninsula remains tense. The United States and Japan are in the process of reformulating their relations."

Recalling his visit to China last September, Wee Kim Wee said: Everything I saw in China produced a deep impression on me. He said: "Economic progress was in evidence everywhere. The situation stood in sharp contrast to that witnessed during my visit to your country over a decade ago, in 1979."

He maintained: "The development of events in China will have a major impact on Asia and the rest of the world. A stable, continually developing China in search of trade, investment, and economic cooperation will promote stability in the Asian-Pacific region."

He expressed the Singapore Government's firm belief that "a China constructively engaging with, and more fully integrated into, the Asian-Pacific region will be in the interests of all. Your country's admission into the Asian-Pacific Economic Cooperation organization is a major step in that direction. There is still ample room for various countries in the Asian-Pacific region to enhance economic cooperation. Trade, investment, and tourism will foster a closer relationship between us and enhance our contributions to each other's economic progress."

Wee Kim Wee said: Every country can now attain the goal of improving its people's living standards through competition and cooperation, instead of resorting to military subjugation or political domination. Economic growth and prosperity does not mean that one party benefits at the expense of the other.

On bilateral relations, President Wee Kim Wee said: "Singapore and China enjoy good bilateral relations that are growing constantly. The two countries conduct regular exchanges at all levels and enjoy very stable economic relations. Their total trade volume exceeded 4 billion Singapore dollars by the end of 1991. Singapore is the fourth largest investor in your country. This has laid a good foundation for Singapore and China to strengthen their relations. Singapore and China are now moving beyond trade and investment toward other areas of economic cooperation."

President Yang Shangkun spoke afterward. He first praised the diligent and intelligent people of Singapore for having built their country into a vibrant, newly industrialized country in a not-so-long period through bold competition and innovation in the face of various international challenges. President Yang said: While preserving its Oriental culture and traditions, present-day Singapore also stresses efforts to bring in advanced foreign scientific, technological, and management know-how and is moving forward steadily. He wished the people of Singapore success in constantly scoring new achievements from "new starting points."

President Yang said: "In contrast to the complicated and volatile international situation, the Asian-Pacific region enjoys relative stability and maintains economic growth. The political settlement of the Cambodian issue has not only brought about the long-awaited prospect of peace for the region but also provided various countries with new opportunities for development and cooperation."

He said: "As a member of the Asian-Pacific region, China has always devoted itself to the cause of peace and development in the region. It is an important component of our country's independent foreign policy of peace to promote good-neighborly and friendly relations with adjacent countries. China values ASEAN's positive role in regional and international affairs and the friendship and cooperation established with ASEAN in the joint effort to maintain regional peace over the years. China and ASEAN have begun the process of dialogue. We believe that closer cooperation between China and ASEAN will not only benefit both sides but are conducive to regional peace and prosperity." He extended his advance greetings to ASEAN's upcoming fourth summit in Singapore and wished it success.

President Yang spoke highly of the friendship between China and Singapore. He said: The formal establishment of diplomatic relations has opened up broader prospects for exchanges and cooperation between the two countries.

President Yang expressed the hope that China and Singapore will make joint efforts to consolidate and enhance their friendly and cooperative relations, safeguard peace, and promote development during the last decade of this century.

In attendance at the banquet were Wu Xueqian, vice premier of the State Council; Vice Foreign Minister Xu Dunxin; Wang Wendong, vice minister of Foreign Economic Relations and Trade; and special aide Xu Ruixin, who are accompanying President Yang on his visit.

Singapore guests at the banquet included Prime Minister Goh Chok Tong; Deputy Prime Ministers Ong Teng Cheong and Lee Hsien Loong; Lee Kuan Yew, senior minister of the Prime Minister's Office (cabinet adviser); and Parliamentary Speaker Tan Soo Khoon.

Further on Meeting

OW0801015592 Beijing XINHUA Domestic Service
in Chinese 1813 GMT 7 Jan 92

[By reporters Cai Ximei (5591 6932 2734) and Ma Shengrong (7456 0524 2837)]

[Text] Singapore, 7 January (XINHUA)—Singapore Prime Minister Goh Chok Tong called on visiting Chinese President Yang Shangkun and the two had a cordial and friendly conversation with each other here this evening. The two leaders also exchanged views on Chinese-Singaporean relations, the international and regional situation, and relevant international issues.

Prime Minister Goh Chok Tong extended his warm welcome to President Yang Shangkun. He said: President Wee Kim Wee made a very successful visit to China last year and was very satisfied with it. "I myself have visited China many times and experienced the same warm hospitality as he was accorded. Today, I am very happy to be able to welcome you in Singapore." Yang Shangkun thanked the Singaporean Government and

people for according him a warm welcome. President Yang conveyed to Prime Minister Goh Chok Tong regards from Premier Li Peng and, on behalf of Li Peng, invited Goh Chok Tong to pay an official visit to China at his convenience.

On bilateral relations, President Yang said: Our two countries had close contacts with each other even before the establishment of diplomatic relations. The establishment of diplomatic ties in October 1990 opened a new page in the history of the Chinese-Singaporean relations. In the last year and more, high-level exchanges between the two countries have been continuous and cooperation has been gradually expanded. In the economic field, the two countries have a great deal to complement each other and the potential of cooperation is tremendous. In science and technology, for instance, each country has its own strong points, and it is a very promising area for cooperation.

He said: Singapore now has nearly 500 cooperation projects in China, and most of them yield good economic results. He admired Prime Minister Goh Chok Tong's concept of supporting Singaporean industrialists and businessmen in participating in the development of some regions of China. He also welcomed some investment and economic cooperation projects currently being contemplated by Singapore.

President Yang said: During the last decade and more, China has achieved great success in carrying out the policy of reform and opening to the outside world initiated by Comrade Deng Xiaoping. The policy has greatly promoted economic development and improved the people's living standards in China, and the people have indeed experienced its benefits. China's policy of reform and opening to the outside world will remain unchanged. Moreover, it will deepen the reform and open itself even more. It will accelerate the reform and do an even better job in opening to the outside world.

He said: "China's door is wide open to Singapore. I believe that the friendly relations and cooperation between the two sides certainly will grow even more smoothly on the basis of equality and mutual benefit."

Prime Minister Goh Chok Tong said: "During my recent two trips to China, I witnessed the enormous benefits enjoyed by the people under the country's reform and open policies. China's foreign trade will develop further if the country carries on its reform and open policies. This will bring tremendous benefits not only to the Chinese people but also to us. We hope for greater success in China's economic policy."

He said: "Singaporean-Chinese relations are excellent; there are no problems between us. Our cooperation has proceeded very well. We hope to further develop cooperation in various fields. Our economic cooperation is excellent. Problems in this respect, if any, are not policy-related but are specific issues pertaining to implementation. These problems, however, can be studied specifically by the relevant departments. Meanwhile, we should

explore new fields of cooperation." Goh Chok Tong said: "China has ample experience and knowledge in the scientific and technological field. We can draw on its experience and knowledge. Singapore can put these scientific and technological results on the market. This is a new field of expanded cooperation between the two countries and has bright prospects."

On international and regional situations, President Yang said: Last year, the international situation experienced changes of the greatest magnitude and the swiftest speed, such as the Gulf war and the Soviet Union's disintegration. The overall trend in the world, however, is moving toward multipolarity, with antagonism giving way to the solution of problems through dialogue and negotiations. Currently, the world is still plagued by various complicated contradictions; however, peace and development remain the principal trends.

He said: There are still some outstanding problems in Asia. More and more countries have come to embrace the stand for solving disputes through peaceful consultations. With the signing of the Paris peace agreement, an agreement was reached to solve the Cambodian conflict by political means. The realization of peace in Cambodia constitutes the general trend, though various difficulties and setbacks are expected in implementing the agreement.

Prime Minister Goh Chok Tong said: The key to solving the Cambodian issue lies in thoroughly implementing relevant UN resolutions.

On China's relations with neighboring countries, President Yang said: Because of the Cambodian issue, Sino-Vietnamese relations have remained in an abnormal state for more than a decade. The two countries held high-level meetings and normalized their relations following the signing of the Paris agreement. Both sides agreed to develop good-neighborly and friendly relations in the future on the basis of the Five Principles of Peaceful Coexistence. The realization of good-neighborly and friendly relations between China and Vietnam is in line with the fundamental interests of the two peoples and conducive to world peace and stability. Such relations are not directed against any third country and will not affect either side's existing friendship with other nations.

Prime Minister Goh Chok Tong and President Yang briefed each other on U.S. President Bush's visit to Singapore and Japan's Minister of Foreign Affairs Michio Watanabe's visit to China.

Yang Praises Industrial Development

OW0801071792 Beijing XINHUA in English
0656 GMT 8 Jan 92

[Text] Singapore, January 8 (XINHUA)—Visiting Chinese President Yang Shangkun today praised Singapore for its speedy industrial development.

The Chinese president took time out this morning to visit the Jurong Town Corporation, an industrial development zone set up in 1968.

Lee Hsien Loong, Singapore deputy prime minister and minister for trade and industry, briefed Yang on the development of the zone, a piece of marsh land at that time.

"The results in those years show that we have not done too badly although we have now reached a point that we are asking ourselves whether we should continue the old way of practice," he said.

Lee said, "As the situation changes and the demand of the investors also modifies, the responsibility for the Jurong Town Corporation has grown."

The Jurong Town Corporation now owns 4,590 factories with 290,000 workers. Scientific institutions have also been set up in the town.

President Yang said it is not easy for Singapore to turn the marsh land into such a modern industrial town. "We are now developing the Pudong area in Shanghai. We hope to learn from your experience," he said.

Lee said that the conditions are different in the two countries but Singapore is happy to do what it can.

Later, President Yang toured the Singapore Science Center.

One unique way for the center to promote the learning and appreciation of science and technology is through its exhibition programs.

In designing and fabricating the exhibits, a delicate balance is struck between the educational aspect and entertainment value of the display.

President Yang visited the exhibition halls with great interest. "It is a very good way to popularize science and technology among the people and the young generation," he said.

The Chinese president also planted a "tembusu" tree in the garden of fame where leaders from many countries have planted various kinds of trees.

Yang arrived here Tuesday afternoon for a state visit to Singapore, the first of its kind by a Chinese head of state.

He is scheduled to spend four days here before heading for Malaysia.

Reportage on Yang Singapore, Malaysia Visit WA0701201891

For reportage on the visit by PRC President Yang Shangkun and Vice Premier Wu Xueqian to Singapore and Malaysia, including reports on his talks with Singapore's President Wee Kim Wee, please see the Brunei, Malaysia & Singapore section of the 7 January East Asia DAILY REPORT and subsequent issues.

Malaysian Prime Minister Meets Ambassador

OW0801135292 Beijing XINHUA in English
1331 GMT 8 Jan 92

[Text] Kuala Lumpur, January 8 (XINHUA)—Malaysian Prime Minister Mahathir Mohamed hoped that the current Malaysian-Chinese relationship will be further strengthened.

He made these remarks when he met with Chinese Ambassador to Malaysia Jin Guihua at his official mansion here this afternoon.

He praised China for its success in pursuing the policy of reform and openness, saying that it is not easy for China to reach a 7 percent increase in GNP last year because of its large population.

He said the status of the current Malaysian-Chinese relations is very good and Malaysia would like to see them to be stronger with further expansion especially in trade and economic cooperation.

The prime minister informed the ambassador of the Malaysian-mooted East Asia Economic Caucus (EAEC), stressing that the EAEC is not a trading bloc, but just a forum for countries concerned to discuss issues of common interest and to speak in one voice in the international arena.

East Asian countries can also use this forum to learn from each other to achieve common prosperity, the prime minister said. He added that at the moment some country is forcing others to act on its intentions and is interfering into the EAEC affairs. Malaysia is a sovereign state and any move in such manner will infringe Malaysia's sovereignty and independence, Mahathir observed.

The Chinese ambassador thanked the Malaysian Government for its good arrangements to welcome Chinese President Yang Shangkun's forthcoming visit to Malaysia. He spoke highly of the achievements by Malaysia in the economic field and expressed satisfaction over the considerable development of the Chinese-Malaysian ties in recent years, hoping that the relationship will be furthered.

He said that there is great potential for bilateral trade and economic cooperation and a wider scope of complementarity in the economy of the two countries. The expansion of friendly cooperation between China and Malaysia is also in favor of peace and development in the region, he emphasized.

The ambassador said China actively supports regional economic cooperation, maintaining that under the current international circumstances, Malaysia's proposal for EAEC is of great importance.

Vietnam Trade 'To Develop at Higher Level'

HK0601045992 Hong Kong WEN WEI PO in Chinese
25 Dec 91 p 2

["Special feature" by staff reporter Chung Wen-Yi (6988 5113 0001): "Trade To Develop at Higher Level—Notes on Sino-Vietnamese Border Trade"]

[Text] At a time when their bilateral relations are returning to normal, China and Vietnam signed two treaties: one on trade affairs and a provisional one on border affairs between the two countries. According to the two treaties, both China and Vietnam should, in light of their respective needs and capabilities, try hard to bring about a long-term, sustained, and stable development to their trade relations; promote and impose proper control over cross-border and local trade; and gradually open up 21 ports along the Sino-Vietnamese border.

Thus it can be seen that cross-border trade will continue to play an important part in the future development of Sino-Vietnamese trade relations.

Cheng Kejie To Visit Vietnam Soon

The normalization of Sino-Vietnamese relations was marked by a visit to Nanning, Guangxi Province, by a Vietnamese economic and trade delegation headed by Nguyen Nam Hai from Hong Co city, Quang Ninh Province. Prior to this visit, Vietnamese local government leaders of Cao Bang, Lang Son, and Quang Ninh also came to Nanning to meet with Guangxi officials and signed meeting summaries on issues concerning bilateral border trade and border security.

At an invitation from Vietnam, Cheng Kejie, chairman of the Guangxi Regional People's Government, is to lead a delegation to visit Vietnam at the beginning of next year, and is expected to sign a number of economic and technological cooperation treaties with Vietnam. In another development, it has been disclosed that Guangxi recently has sent a considerable number of local officials and people from the economic and trade circles to inspect Vietnam in order to familiarize themselves with Vietnamese markets and carry out talks with the Vietnamese on economic and trade cooperation.

In mid-November this year, over 10 central and provincial level Vietnamese companies, as well as commercial enterprises in Quang Ninh and Phu An Provinces, including Vietnam Machinery Imports and Exports Corporation, Vietnam Vien Thong Posts and Communications Company, Vietnam Communications and Transportation Development and Investment Corporation, and Hanoi Mechanical and Electric Materials Company, sent over 70 representatives to a commodity trade fair in Guangxi. The trade volume brought about by Vietnamese businessmen at the fair exceeded \$34 million, and Nanning Friendship Company alone entered an agreement with the Vietnamese on the sale of 6,000 sewing machines and 2,000 bicycles.

All these signs have showed clearly that, alongside the normalization of Sino-Vietnamese relations, cross-border trade is no longer restricted to small business or mutually beneficial trade among border residents; instead, local trade with the participation of state-owned enterprises which integrates trade with investment will become a guiding trend in development.

Medicine Trade Fair Caused a Sensation

In June this year, Guangxi held its first border medicine trade fair in Dongxing, Fangcheng. Over 100 businessmen from Vietnam and Hong Kong and 46 medicine production units from 10 PRC provinces attended. Displayed at the fair were China-made pharmaceutical machinery, medical apparatus and instruments, industrial chemicals, and Chinese and Western medicine. On the exhibition's first day, 36 businessmen from over 10 medicine users in Hanoi, Ho Chi Minh City, and Hai Phong came to hold business negotiations and over 100 booklets on products brought by Beijing Medical Material Supply Company were gone by the first day.

It has been learned that since this border medicine fair was the first of its kind in China, Guangxi adopted a nongovernmental approach to hold the fair on an exploratory purpose. However, the fair turned out to be very successful, with a trade volume of as much as 5 million yuan and a number of agreements on goods supply signed.

During the fair, some Vietnamese businessmen pointed out that Vietnam had always imported emergency respirators from France; now that they learned that China could also produce such respirators, why should they look far and wide? They suggested Chinese manufacturers invest in and build factories in cooperation with the Vietnamese.

According to briefings given by local officials of Pingxiang and Dongxing, ever since the normalization of Sino-Vietnamese relations, governments at all levels along the border have stepped up efforts to bring about further development to cross-border trade, with the aim of opening up prospects for trade. Their tentative ideas include exporting technology and equipment to Vietnam, contracting projects, and carrying out factory renovations; investing in and running factories in Vietnam; building border area factories which process raw materials imported from Vietnam and sell products to foreign countries or in domestic markets; attracting foreign investment, making use of raw materials and semifinished goods both at home and from Vietnam, and exporting processed and assembled products to Indochinese markets; and promoting tourism in border areas.

Guangxi Is Preparing for a Border Trade Meeting

The normalization of Sino-Vietnamese relations marks the beginning of a vital period of readjustments for Guangxi's border trade.

At present, both China and Vietnam have started to reestablish necessary border institutions, such as customs, and have worked out new border management policies to bring bilateral trade relations onto a normal track. Inevitably, appropriate readjustments should be made on the old border management policies in line with the new development in relations between the two countries.

Readjustments facing Sino-Vietnamese border trade will create a more ideal external environment for future development. However, there also exist many realistic difficulties and obstacles which need urgent solutions; for example, the Chinese side knows little about the real situation of Vietnam's market, and Vietnam is seriously short of foreign exchange and its payment capability is extremely poor. To expand trade with Vietnam, China should first find out the best ways to solve these problems.

Undoubtedly, whether or not Sino-Vietnamese border trade can realize successful readjustments and be promoted to a higher level will exert a decisive influence on Guangxi's opening up and economic rejuvenation in the 1990's. To Guangxi, readjusting its strategies on opening up and economic development in line with the new peace process on the Indochina peninsula is a task which brooks no delay.

West Europe

Li Peng Planning Extensive European Tour

HK0801071492 Hong Kong SOUTH CHINA MORNING POST in English 8 Jan 92 p 10

[By Willy Wo-lap Lam]

[Text] Beijing is trying to line up more countries for Premier Mr Li Peng to visit and statemen to see on his European tour at the end of the month.

And political forces close to Mr Li are taking advantage of this diplomatic breakthrough to build up his domestic standing.

After Italy and Switzerland, diplomats said yesterday it was certain Mr Li would early next month call on Malta and Portugal, which holds the presidency of the European Community for the first half of this year.

Beijing is also finalising plans for Mr Li to visit Spain and Cyprus. Cyprus has issued a long-standing invitation for the Chinese premier to visit.

Moreover, Chinese diplomats and organisers of the World Economic Forum at Davos in east Switzerland, where Mr Li will stay from January 30 to February 1, are planning separate meetings between the Chinese leader and the large number of top politicians and businessmen who will be attending.

The forum, which is chaired by former French premier Mr Raymond Barre, has attracted at least 30 senior ministers, including British Prime Minister Mr John Major.

The Foreign Ministry is expected to announce Mr Li's full itinerary, which starts in Rome on January 26, later this week.

Western diplomats in Beijing said the trip would go a long way towards consolidating Mr Li's position back home.

The 14th Communist Party congress, due to be convened late this year, will determine the next party and government leaders, including whether Mr Li will be replaced as premier when his present term runs out in March next year.

A source said: "If (patriarch) Deng Xiaoping is still calling the shots by then, he will insist that the new premier be an advocate of market reforms and be acceptable to Western countries."

Mr Li's European tour, while not covering the major countries, is seen as a prelude to possible visits to Britain, France or Germany later this year.

Since late last year, the premier has made painstaking efforts to shake off his image as a conservative by repeatedly speaking out for market reforms.

While opening the National Committee on Economic Reform on Monday, Mr Li surprised analysts by talking about "speeding up reform," a slogan he had not used before.

European diplomats said last night, however, the premier's attempts to project the image of an "international statesman" might be affected by the possibility of demonstrations in Italy and Switzerland.

Zhu Rongji Meets Swiss Business Guests

OW0401075892 Beijing XINHUA in English 0722 GMT 4 Jan 92

[Text] Beijing, January 4 (XINHUA)—Chinese Vice-Premier Zhu Rongji met here today with Friedrich Fahrni, president and chief executive officer of Sulzer Brothers Ltd. of Switzerland, and his party.

They had a friendly conversation on issues including bilateral technical cooperation.

Wang Yiping, secretary general of the production office of the State Council, and Lin Zongtang, minister of aero-space industry [title as received] attended the meeting.

The guests arrived here on Friday at the invitation of the Ministry of Aero-space Industry.

Wu Xueqian Meets Former Norwegian Premier*OW0301141592 Beijing XINHUA in English
1354 GMT 3 Jan 92*

[Text] Beijing, January 3 (XINHUA)—Chinese Vice-premier Wu Xueqian met here today with former Norwegian prime minister Jan P. Syse, who is now a member of the Committee for Foreign Affairs in the Norwegian parliament.

During his current visit, Syse has met with Vice-Chairman Fu Hao of the Foreign Affairs Committee of China's National People's Congress.

Commentary on 'Turbulence' in Europe*OW0201133992 Beijing XINHUA Domestic Service
in Chinese 0739 GMT 31 Dec 91*

[Commentary by XINHUA reporter Xia Zhimian (1115 3112 3094): "Seeking Stability Amid Turbulence—A Review of the Situation in Europe in 1991"]

[Text] Bonn, 30 December (XINHUA)—The year 1991 is coming to an end. What did this year bring to Europe, which has undergone radical changes? The deepest impression it left on the people of the old continent is turbulence and unrest.

The world's three most important events of 1991 have something to do with Europe. The Gulf war at the beginning of the year brought Europeans a sense of insecurity about their borders; the Yugoslav civil war was a direct threat from the continent itself; while the Soviet Union's disintegration at the end of the year even revealed a future of further turbulence and disturbance for Europe.

In spite of the presence of a forest of missiles and acute confrontations between superpowers as well as military blocs in Europe since World War II, no hot war has actually taken place in over 40 years. Now, however, the balance of forces has seriously shifted, originally clear alignments and targets have been mixed up, and numerous originally contained and concealed contradictions, such as ethnic and territorial disputes, have sprung up following the sudden collapse of the old bipolar system. Europeans are now directly affected by the world's unrest.

The most instant perception comes from the civil war in Yugoslavia. A continuous flow of news from television, newspaper headlines, and broadcasts gives the people a feeling that the flames of war are close at hand. Adding to their anxiety was the recent outbreak of armed conflicts in Georgia and Nagorno-Karabakh. The impact that the flames of war in these three places have on the souls and nerves of Europeans is far beyond that of the Namibia war, Vietnam war, and even the Gulf war.

Their most immediate concern is the exodus of refugees. The flames of war and unrest have driven some Europeans out of their homelands and disrupted the peaceful lives of some others.

Furthermore, Europeans still find a sharp sword—some 27,000 nuclear weapons of the former Soviet Union—hanging over their heads. Whose hands will they fall into? Will they become the tools for hostile ethnic groups to give vent to their hate?

All these are related to the radical changes and disintegration of the Soviet Union and the East European bloc. At first, West Europeans welcomed them with joy, but slowly they began to feel the tremendous pressure and unpredictability placed on the stability of Europe by the political turmoil and collapse of the economy in those places.

On top of that, changes in the Soviet Union and East Europe also drove the North Atlantic Treaty Organization [NATO] into a state of disorientation and posed new challenges to the structure and mechanisms currently existing in West Europe as well as between the United States and West Europe. On the other hand, the reunification and rise of Germany at this opportune moment also injected new factors into the European continent, adding complications and unpredictable factors to the situation.

Old order and stability have been broken in both East and West Europe. Because of numerous unknown factors, the situation in Europe is now characterized by turbulence and unrest. Politicians in various European countries are trying to control the situation and have it well in hand. The EC tried its best to mediate in the Yugoslav civil war; the United States and West Europe made every effort to interfere in the development of the situation in the Soviet Union; Germany took the lead in providing large amounts of economic aid to the Soviet Union and East Europe; NATO sped up the adjustment of its strategy and expanded its dialogue with East Europe; and the EC expedited its own unification process. All these reflected their efforts.

Former German Chancellor Helmut Schmidt noted in a recent report: "Europeans are all looking for new stability at the moment, but so far nobody is able to come up with a plan." It seems that the turbulence in Europe will continue for some time.

Latin America & Caribbean**Cuban National Assembly Begins New Session***OW2712025591 Beijing XINHUA in English
2354 GMT 26 Dec 91*

[Text] Havana, December 26 (XINHUA)—The third Cuban national assembly opened its 10th ordinary session here today to study resolution of improving the organization of people's power.

Inaugurated by Juan Escalona Reguera, president of the assembly, the two-day session with 438 legislators participating will study the resolution of the Fourth Congress of the Cuban Communist Party which contains recommendations regarding ways of improving the organization of people's power.

Members of the assembly will also discuss amendments to the electoral law in order to improve the electoral system to ensure its continuity as well as to draw up rules for people's power.

They will also study new decrees of the state council and debate a report to be made by the interior minister regarding criminal activities and counter-revolutionary behavior.

Castro Urges People To 'Remain Strong'

OW2812181491 Beijing XINHUA in English
1657 GMT 28 Dec 91

[Text] Havana, December 28 (XINHUA)—President Fidel Castro last night urged his fellow countrymen to remain strong in order to obtain victory at a time when they are facing the most difficult period in the Cuban history, according to a press report here today.

Speaking at the closing session of the two-day 10th Session of the National Assembly (Parliament), Castro assured that victory is possible even under very difficult

conditions such as those in 1992, which he said will be the hardest year in the special peacetime period.

He stressed that the United States is trying to make the road of Cuban progress more and more complicated by obstructing the island's markets, intensifying the economic blockade and making the life of the Cuban people more difficult.

Added to the U.S. blockade is the substantial reduction of trade by the former Soviet Union from 5 billion U.S. dollars a year to only 1.673 billion dollars in the year ending December 21 of 1991, he added.

"We realize that we can defend ourselves only with our skin and our resources and that no one can help us. From that arises the concept of war for the whole population," he asserted, adding that the island has continued fortifying itself and building tunnels in order to avert any military possibilities.

Nevertheless, he continued, "The enemy's effort is focussed on eroding the revolution and fomenting disunity and discontent."

"We are of the winning stock—people who neither give up nor abandon the battle," he said.

The morale of the Cuban people must not weaken under any circumstances, he stressed.

Political & Social**Li Peng Addresses Democratic Party Leaders**

OW0701211192 Beijing XINHUA Domestic Service
in Chinese 1520 GMT 7 Jan 92

[By Central People's Broadcasting Station reporter Liu Zhenying (0491 2182 5391) and XINHUA reporter Zou Aiguo (6760 1947 0948)]

[Text] Beijing, 7 Jan (XINHUA) — At Premier Li Peng's invitation, some 70 public figures attended a discussion meeting held by the State Council in Zhongnanhai this afternoon. They comprised responsible individuals from democratic parties and the All-China Federation of Industry and Commerce and representatives of nonparty democrats.

Premier Li Peng said: I have invited you to this meeting at the beginning of the new year to brief you on China's economic situation in 1991 and its work plan for 1992, and to listen to your opinions and suggestions. He then analyzed the international situation and presented a fairly detailed report on China's 1991 achievements in economic and social development. Li Peng said: In 1991, the State Council, working under the leadership of the party Central Committee with Comrade Jiang Zemin at the core, seriously implemented the national economic and social development plan adopted after deliberation by the National People's Congress. In its work, the State Council has also obtained the support of the Chinese People's Political Consultative Conference and various democratic parties. He said: During the past year, the State Council seriously and actively implemented the party's basic line initiated by Comrade Deng Xiaoping—namely, to take economic construction as the central task, uphold the four cardinal principles, and persist in reform and opening to the outside world. It has scored remarkable and certain success in various aspects of its work.

On this year's work, Li Peng pointed out: Our economic task in 1992 is to further deepen reform, open the country wider to the outside world, and switch the economic work onto the track of readjusting economic structures and raising economic efficiency. This will happen following the consolidation and enhancement of the results of the economic retrenchment and the achievement of an overall balance. Our task also includes the maintenance of sustained, stable, and coordinated economic development.

Li Peng emphasized: In 1992, the emphasis in our work should be directed toward six areas. We should continue to work hard to create a peaceful international environment and a political situation of stability and unity at home for our economic construction. We should maintain sustained, stable, and coordinated economic development. We should further deepen reform. We should open the country wider to the outside world. Relevant development and progress should be made in the work of the departments of education, science and technology,

culture, and journalism. The State Council and the ministries and commissions under it should set a good example in the drive to eliminate corruption and build a clean government.

Concerning the present situation, Li Peng said: Currently, China enjoys political stability, economic development, and social stability. The people across the country are marching with full confidence along the socialist road with Chinese characteristics and the banner of socialism will always fly high over our land of 9.6 million square km. Since improving the economic environment and rectifying the economic order, the objective conditions for China's economic operation have become better. As long as our policies and measures are appropriate, we can expect to maintain a good trend of steady economic development, and we will further improve the economic situation this year.

In conclusion, Li Peng said that the State Council, as the country's highest governing body, will continue to accept the supervision of the National People's Congress, the Chinese People's Political Consultative Conference, and the people. He urged the democratic parties and the nonparty patriots to make more comments and suggestions so that the State Council can do an even better job.

Other speakers at the meeting included Rong Yiren, chairman of the All-China Federation of Industry and Commerce; Fei Xiaotong, chairman of the China Democratic League Central Committee; Sun Qimeng, chairman of the Central Committee of the China Democratic National Construction Association; Wang Guangying, vice chairman of the All-China Federation of Industry and Commerce; Lu Jiaxi, chairman of the Central Committee of the Chinese Peasants' and Workers' Democratic Party; and Yang Jike, vice chairman of the China Zhi Gong Dang Central Committee. In their speeches, they fully affirmed the 1991 work and achievements. They pledged to continue to support the work of the State Council, to suggest ways and means for attaining the second-step strategic objective of China, and to usher in the 14th CPC National Congress with outstanding achievements in the new year. They also put forward some constructive views on how to do even better work in 1992, particularly on matters such as economic development, deepening reform, enhancing economic efficiency, improving the performance of large and medium-sized state enterprises, developing agriculture through the application of science and technology and promoting education, giving play to the role of urban centers, attaching importance to development of rural enterprises, correcting uneven economic development among various regions, investing in construction projects, and harnessing and developing major rivers. They hoped the State Council would continue to support the democratic parties and the Federation of Industry and Commerce in their work to help them play an even greater role in economic construction.

Vice Premiers Yao Yilin, Tian Jiyun, Zou Jiahua, and Zhu Rongji attended the meeting, as did state councillors Wang Bingqian, Song Jian, and Li Guixian.

Also present at the meeting was Ding Guangen, alternate member of the Political Bureau and member of the Secretariat and director of the United Front Work Department of the CPC Central Committee, as well as responsible individuals from the departments concerned under the United Front Work Department and other organizations.

Li Peng Changes Stance After Talking With Deng

HK0801083692 Hong Kong CHING PAO in Chinese
No 174, 5 Jan 92 p 45

[By Cheng Te-lin (6774 1795 2651): "Is Li Peng Out of 'Political Trouble?'"]

[Text] Li Peng Has Tasted the Benefit of Reform

People in political and economic circles at home and abroad have noticed that China's State Council Premier Li Peng obviously changed his attitude after the CPC central work conference in late September. When making domestic inspections and meeting with local party and government leaders, receiving professional groups, visiting foreign countries, and talking with foreign visitors, he always gave prominence to the point that China is correct in taking the road of reform and opening up and will further expand its scope and advance them in depth.

In mid-December, I was told in Beijing by some central officials that Li Peng had been freed from "political trouble." Other people in political and economic circles said that Li Peng had tasted the great benefit brought by reform and opening up and had seen the stable situation that was almost unimaginable by the outside world two years ago. The Soviet Union and East European countries originally had a stronger foundation in various aspects than China, but they are now bogged down in both political and economic trouble and are plagued by serious problems in all fields. It is quite natural that China's success does credit to the premier of the government. For Li Peng, who works more than 12 hours a day, the appraisal of the outsiders is also objective. If he did not change his stance, would he have been able to keep himself in the premiership?

Deng Had a Long Talk With Li Peng

I was told by sources in Beijing: In early September, after Deng Xiaoping returned from Beidaihe, he had a long talk with Li Peng in Beijing. Deng Xiaoping explicitly told Li Peng that he should cooperate with Jiang Zemin in the Political Bureau, and should take the same position when formulating party policy. There should be no contradictions that might affect the effective implementation of party principles and policies. Deng also hoped that Li Peng would sum up the State Council's work with regard to reforms, gain some useful experience, advance

with greater strides, and talk about his own feelings at a meeting of the Political Bureau in order to influence other leaders who still hold a wait-and-see attitude toward the implementation of the established plans and the policy for reform and opening up. After the talk, Li Peng made a summing-up of his own thought at an opinion-exchanging meeting [sheng huo hui 3932 3172 2585] of the Political Bureau in mid-September.

The sources in Beijing said that if Li Peng's recent speeches are compared with his speeches in 1990 and in early 1991, one may find some obvious changes. He uses such words as "prudent," "moderate," and "rectification" less frequently, and his remarks about reform and opening up are sometimes even higher-sounding than those by other members of the Political Bureau.

Deng Is Considering the Transition of the Leading Body

It is said that in early September, Deng Xiaoping also separately invited Qiao Shi and Song Ping, both members of the Political Bureau Standing Committee, for long talks. Obviously, Deng's purpose was to consolidate the future leading body with Jiang Zemin as the core and to make personnel arrangements for the transition of the leading body to the next century.

According to high-ranking CPC sources in Beijing, today, China's power is in the hands of four people, namely, Jiang Zemin, Yang Shangkun, Qiao Shi, and Song Ping. Deng Xiaoping has realized that Yang Shangkun is already a man of advanced age, so he is considering who should succeed Yang as the actual leader in the military.

Deng on Advisory Commission Functions, Powers

HK0801082992 Hong Kong CHING PAO in Chinese
No 174, 5 Jan 92 p 39

[By Ming Ping (2494 5493): "Deng Talks About Functions and Powers of 'Advisory Commission'"]

[Text] In early December 1991, Deng Xiaoping listened to reports by Jiang Zemin, CPC Central Committee general secretary; PRC President Yang Shangkun; and Song Ping, member of the Standing Committee of the CPC Central Committee Political Bureau, on discussions at the Eighth Plenary Session of the 13th CPC Central Committee. Then Deng said: The orientation of the party congress [as published] is correct and the party's current line has stood the test of practice. Our line, principles, and policies should all be formulated and decided on the basis of the central task of conducting economic construction and realizing the four modernizations. This is the sole center in the peaceful environment, and is also the general orientation. Marxism's final purpose still lies in the proper handling of the relationship between the economic base and economic development in human society. After winning the victory of the revolution, the primary task for the Communist Party should be to develop production and to properly handle

the relationship between productive forces and production relations. If this question is not properly solved, there will be no stability and tranquillity in society, and the people will not support the Communist Party's leadership. If this problem remains for a long time, the Communist Party will lose its appeal. This is a lesson our party has drawn from practical experience over the past 42 years since the founding of the PRC. We still need to refine this point in theory.

It Is Up to the Political Bureau to Decide Whether to Keep or Disband the Advisory Commission

When talking about whether to keep or disband the "Advisory Commission" system after its second term expires next year, Deng said: When we decided to set up the Advisory Commission, our purpose was to establish a transitional institution for replacing the life tenure system for leading cadres with a regular retirement system, because at that time, the work of promoting young and middle-aged cadres still could not keep pace with actual need. It was planned that the Advisory Commission might be kept for three terms; it would be better if it existed for only two terms with the conditions being ripe. The Political Bureau can hold meetings to consider this question and make a decision after listening to opinions from various quarters concerned. However, the decision must be conducive to the party's work and must be carried out. The whole party should obey the central leadership.

The Advisory Commission Should Prevent Itself From Overstepping Its Authority

When talking about the powers and functions of Advisory Commission members, Deng Xiaoping said: Every member of the Advisory Commission should be actually and clearly aware of their official functions and duties, and should not merely say that they have already known about this. The power of Advisory Commission members is the "power to make proposals." The proposal of an adviser can be discussed and wholly or partly adopted by the party committee, and can also be turned down by the party committee. It is the party committee that has the power to make the final decision. The adviser should be aware of his own status, and should be detached from the decision-making process. If he even tries to "take care of" something that has been decided by the central authorities, then he is not exercising the power to make proposals but is trying to exercise the veto power and has overstepped his authority. The party constitution allows no one to overstep authority inside the party. It is absolutely impermissible. Why did something that was decided by the central authorities fail to be implemented satisfactorily or even go awry in practice? In my view, the reason lay in the fact that some Advisory Commission members exceeded their authority in interfering in these affairs. Henceforth, the party organizations should resolutely overcome authority-exceeding behavior, and party leaders should dare to handle, and be good at handling, these problems concerning party organizational principles.

During discussion of the issue of the Central Advisory Commission, Wan Li, Bo Yibo, and Wang Renzhong were also present.

'Unpublicized High-Level Meeting' Views Dissent

*HK0801022392 Hong Kong THE STANDARD
in English 8 Jan 92 p A-7*

[By Cheung Po-ling]

[Text] Chinese security forces have made suppression on any form of organised dissent their number one task, even more important than the crackdown on social crimes.

Chinese sources said yesterday an unpublicised high-level meeting was convened in the wake of November's Eighth Plenum of the party's 13th Central Committee to discuss the maintenance of national security and public order.

The resolutions endorsed by the meeting singled out the "ringleaders of illegal organisations", "stubborn bourgeois-liberal activists", "anti-government activists from outside China", "national separatists" and "counter-revolutionaries of the religious circle" as the main targets.

The meeting declared that the five categories were deemed the most severe offenders, even more serious than those who committed murder, robbery, and drug-trafficking.

The meeting reiterated that the authorities would firmly handle the hostile forces and activists who carried out sabotage in China.

The authorities also decided to take resolute and tough measures to quell any form of organised opposition at the budding stage. Sources said the expulsion of the three Canadian MPs yesterday due to their provocative acts in China and the arrest in late December were illustrations of the hardened policy. [sentence as published]

At least five people who arranged the funeral of dissident leader Wen Jie were arrested on 27 December.

Among those arrested, Chen Wai, a former student of the Beijing Polytechnic University, was likely to face penalties, sources said.

The Beijing Municipal Public Security Bureau was poised to charge Chen with "interfering the public order" [as published] and send him back to his hometown in Sichuan to receive "reform-through-labour" for three years.

Chen had previously been detained twice by the police. The first arrest was connected with the student movement in 1989 and the second was in May last year after a big-character poster was found at the Beijing Polytechnic University.

Sources said two more people—Wen Ning, the sister of Wen Jie, and Lu Mingxia, a friend of Wen Jie—had gone missing on 27 December and their whereabouts were still unknown.

Wen's parents, who live in Beijing, are also monitored by the police who asked them not to get in touch with any journalists and Wen's friends.

Supreme Court Head Cited on Judicial Functions

OW0801103592 Beijing XINHUA Domestic Service
in Chinese 0830 GMT 7 Jan 92

[By reporter Zhang Sutang (1728 1372 1016)]

[Text] Beijing, 7 Jan (XINHUA)—Ren Jianxin, president of the Supreme People's Court, today urged people's courts at all levels to conscientiously implement the guidelines of the Eighth Plenary Session of the 13th CPC Central Committee and the central work conference, and persist in enforcing the laws, so as to bring into further play the functions of judicial organs, safeguard national and social stability, and ensure and promote advances of economic construction in the coming year.

A national conference of the presidents of higher people's courts opened in Beijing today. Speaking at the session today, Ren Jianxin relayed important instructions on the work of courts issued by Jiang Zemin, general secretary of the CPC Central Committee, and Li Peng, member of the Standing Committee of the CPC Central Committee Political Bureau.

It is understood that in the first 11 months of last year, courts and special courts at all levels in China examined and completed the first trial of some 2.47 million cases. In line with the principle of continuing to severely and speedily punish criminals seriously jeopardizing public order, the courts examined and completed the first trial of 360,000 cases of murder, robbery, rape, kidnapping, hooliganism, drug trafficking, and major theft. Of these, 33,000 cases involved economic crimes. Meanwhile, the people's courts also examined and completed the first trial of some 470,000 cases of economic crimes, 1.61 million civil cases, and 20,000 administrative cases, as well as handled large numbers of complaints, petitions, and letters. Through judicial activities, the people's courts have protected the lawful rights and interests of citizens, legal persons, and other organizations, and promoted social stability and unity.

To create a healthy social environment for economic construction, Ren Jianxin said, we should continue to crack down on serious criminal offenses and economic crimes. He noted: At present, economic crimes remain rampant. In particular, graft, bribery, and misappropriation of public funds have become rather serious and involved an ever-increasing amount of money, causing deep resentment among the masses. Even though we have scored notable progress in the campaign to crack down on serious economic crimes, it has generally failed to produce the desired results. He called on the courts to

adhere to the principle of meting out severe punishments in firmly cracking down on serious cases of economic crimes and disruption of the economic order this year, focusing on the trial of cases of graft, bribery, and misappropriation of public funds.

Ren Jianxin said: We should fully apply the judicial functions in readjusting relations between various economic sectors, actively helping state-owned large and medium-sized enterprises to improve performance and rural areas to develop the economy. Discussing measures for revitalizing enterprises, he urged courts to promptly place on file, examine, and try cases involving disputes in the production and management of state-owned large and medium-sized enterprises, so as to safeguard their lawful rights and interests. Unless it is absolutely necessary, courts should not rush to freeze the working funds and bank accounts of enterprises so that their normal production and economic activities will not be affected. It is necessary to step up the trial of cases involving trade marks, patents, copyrights, and other intellectual property rights. Violation of registered trade marks, patents, and copyrights of enterprises should be duly handled and their economic losses should be compensated so as to protect their intellectual property rights. People engaged in making fake products should be severely punished.

As for ways and means of strengthening agriculture and the work in rural areas, Ren Jianxin said: We should uphold the validity of contracts and properly handle contracts in dispute in rural areas. Cases involving village and township enterprises should be examined and handled in a way that helps their healthy development. In keeping with changes in rural economic development, efforts should be stepped up to examine and handle cases related to the procurement and marketing of farm and sideline products. It is necessary to prudently handle and properly solve cases related to contracting of hilly areas, irrigation facilities, private housing grounds, family planning quotas, and orchards—cases that involve the interests of many people and can easily cause serious contradictions.

Luo Gan on Rectification of 'Unhealthy Practices'

OW0101042492 Beijing XINHUA Domestic Service
in Chinese 1214 GMT 30 Dec 91

[Text] Beijing, 30 Dec (XINHUA)—State Council Secretary General Luo Gan and Deputy Secretary General Li Shizhong and Xu Qing, director of the State Council Office for Correcting Unhealthy Tendencies in Business Circles, recently listened on separate occasions to briefings from 25 State Council departments about their progress in rectifying unhealthy practices and put forward demands regarding rectification work for the current year and for next year.

Among those who gave briefings were senior officials from the Ministry of Railways, Ministry of Public Security, State Planning Commission, Ministry of Posts and Telecommunications, Ministry of Energy Resources, Ministry of Foreign Economic Relations and Trade,

Ministry of Agriculture, Ministry of Light Industry, State Administration for Industry and Commerce, State Press and Publications Administration, State Pharmaceutical Administration, and Industrial and Commercial Bank of China. They reviewed the progress and problems in the rectification work over the past year and discussed arrangements for future work.

After listening to the briefings, Luo Gan said: Following the State Council's telephone conference on 29 August 1990 and the Nanchang conference this year, leaders of all departments have attached importance to correcting unhealthy tendencies and have exerted great efforts and achieved some results in the past year. However, we should not be complacent with these results, because the progress has been uneven and the masses are resentful of a number of unhealthy practices still existing in various trades and professions. All departments should, on the basis of consolidating the achievements, continue to earnestly and persistently rectify unhealthy tendencies and strive to achieve a breakthrough during the Eighth Five-Year Plan period.

Discussing next-phase measures for carrying out the work, Luo Gan said: 1) It is necessary to recognize further the important, arduous, and pressing nature of the rectification. All departments should thoroughly study and comprehend the need, repeatedly emphasized by General Secretary Jiang Zemin and Premier Li Peng, to promote clean government and correct unhealthy tendencies. It is crucially important that leaders pay close attention to the work. Both so-called "profitable" departments and units regarding themselves as "clean government offices" should make earnest efforts to rectify unhealthy practices. 2) It is necessary to carry out the rectification in a sustained and down-to-earth manner without a letup for several years. Next year, efforts should be continued to resolve "hot spots," of which the masses are especially critical, in conjunction with economic development, administration construction, and professional personnel improvement. 3) It is necessary to consolidate the achievements and prevent the recurrence of unhealthy practices. We should pay close attention to three major aspects of the rectification work—the foundation of ideological education, the guarantee of institutional construction, and the crucial role of leading cadres—in consolidating the achievements through regular ideological education and adoption of necessary rules and regulations. 4) It is necessary to conscientiously implement the recent notice of the party Central Committee and the State Council on correcting the use of public funds for dinners and gifts and other unhealthy practices. All departments should increase supervision and inspection and take effective measures to ensure the implementation of the notice. Violators of the rules and regulations should be severely punished.

Article Discusses Intellectual Property Rights

HK0101013192 Beijing LIAOWANG in Chinese
No 48, 2 Dec 91 pp 12-14

[Article by Duan Ruichun (3008 3843 2504), director of the Scientific and Technological Restructuring Department under the State Science and Technology Commission: "Intellectual Property Rights System and China's Intellectual Property Legislation"]

[Text] Creation, Development of Intellectual Property

In human history, law regulating property relations dates back to centuries before the Christian era, but intellectual property is a new chapter in modern legal history and a product of economic development at a certain level. In China, because the long-lived feudal system impeded the development of the commodity economy, it was not until the beginning of the 20th century that such intellectual property-related concepts as patent, copyright, and trademark began to be known in the country.

The commercialization of scientific and technological achievements has two meanings: One is that science and technology is taking up an ever-expanding proportion of the composition of modern commodity value and technology-added value and has become an important source of the value of commodities; the other is that the value and utility displayed by science and technology have turned more and more technological achievements into independent commodities of an intellectual form. Its special property relations and exchange relations entail corresponding legislation, thus giving rise to an intellectual property system which has quickly entered the stage of internationalization. In 1883, the "Paris Convention on the Protection of Industrial Property," the first international convention on intellectual property, was established and has been observed up to the present day.

The international community generally regards intellectual property as including copyright and industrial property. The former, synonymous with rights protection of works, refers to the authors' entitlement to the signing, publication, using, authorization, and remuneration concerning their works in literature, art, natural sciences, social sciences, and engineering technology. Industrial property refers to inventions, patents, functional innovations, exterior designs, trademarks, service logos, names of manufacturers, and names of sources or places of origin, as well as checking unfair competition.

Since the 1980's, the world intellectual property rights system has undergone remarkable changes. First, the original subject of intellectual property rights has been constantly expanding. For instance, for a long time, the patent laws in many countries stipulated that no patents would be given to inventions in medicine, chemistry, or biotechnology products. However, during the past 20 years, a large number of countries (especially developed countries) have extended the scope of patent protection to inventions in almost all areas and the protection period for patents has been extended to 20 years. Meanwhile, the subject of copyright protection has also been expanded to cover various new media, such as audio-visual works. Second, additional categories of intellectual property rights have emerged in turn. In the 1980's, computer software and integrated circuits, the products of the new technological revolution, became two new types of intellectual property rights. So far, over 40 countries have legislated the protection of computer source programs, target programs, and files. The United States, Japan, and the EC countries have legislated

protection of diagram designs and integrated circuits containing diagram designs as one type of intellectual property rights. Third, commercial secrets, rules of competition, and intellectual property rights have been integrated, though the theorists' opinion is still divided on whether or not commercial secrets (including technical secrets) belong to intellectual property rights. However, in all consultations and negotiations, whether bilateral or multilateral, commercial secrets have been listed as one of the issues of intellectual property rights. Besides, the trade-related intellectual property rights texts discussed at the GATT Uruguay Round Talks also included a legal framework of international regulations for handling trade imitations. The protection of intellectual property rights has been inseparably integrated with the international economic competition.

Social Functions of Intellectual Property Rights

First, the intellectual property rights system is a mechanism for encouraging creation. Through acknowledging those accomplishing the latest scientific, technological, and cultural achievements, and protecting their spiritual and material rights, people are encouraged to make inventions and innovations and carry out creative activities. This helps bring out more inventions which are original, creative, and practical, and more excellent works.

Second, it is a mechanism for protecting investment. Science and technology is a contradiction between inheriting and breaking through and a circulation system of input and output. Catering to the features of the industrialization of modern research and exploitation, the intellectual property rights system ensures that the units and individuals making the main materials and/or technological input be fully entitled to the resultant benefits by defining and categorizing post-related and nonpost-related achievements, and safeguards the advantages of investing enterprises in competition by protecting such exclusive rights as trademarks, service logos, manufacturers' names, names of sources of goods, names of places of origin, and checking unfair competition. All this will, in turn, encourage enterprises to invest more financial, material, and intellectual resources in research and exploitation to improve the quality of products and services and maintain their reputation. In this sense, the system of intellectual property rights is an effective lever for protecting and guiding input into science and technology.

Third, it is a mechanism for regulating public interests. The intellectual property rights system not only protects the rights and interests of the possessors of intellectual wealth but also regulates and balances the relationship between the interests of intellectual proprietors and the public interests of the state and society. In terms of each item of intellectual property rights, entitlement to rights and assumption of duties are mutually conditional, and protecting intellectual property rights and preventing misuse of rights are mutually conditioning. Correctly applying the intellectual property rights system is conducive to establishing a vigorous and efficient new

mechanism incorporating mutually promoting aspects of scientific research, introductions from abroad, innovation, popularization, and application. It also contributes to a fine environment facilitating the popularization, application, radiation, and dissemination of scientific and technological achievements and inventions.

Fourth, it is also a mechanism which conforms to international cooperation and competition. The system of intellectual property rights has created the environment and conditions for international economic and technological cooperation and enabled knowledge and technology to be transmitted and transferred across boundaries. Furthermore, it is also the instrument and means of various countries for seeking, maintaining, and developing their advantages in international competition. Today, with science and technology developing at an unprecedented rate, protecting intellectual property rights in line with the principle of equality and mutual benefit has become part of the new international economic order.

PRC Intellectual Property Rights Legislation

China is a developing socialist country and practices planned commodity economy. Protecting and developing the legal system for intellectual property rights is of profound and far-reaching significance in fully exploiting China's intellectual resources, pushing forward the formation and development of technology-intensive and knowledge-intensive industries, and speeding up the process of the commercialization, industrialization, and internationalization of high and new technology. It also contributes to the formation of a fine social habit of respecting knowledge, men of knowledge, and scientific and technological and cultural achievements. It is for this reason that China has taken a big step in developing an intellectual property rights legal system during the past 10 years.

China's trademark law came into force 1 March 1983. The number of valid trademarks registered over the past eight years totals 300,000. The law-enforcement departments, in accordance with the trademark law, have dealt out heavy punishment to offenders who fake trademarks and sternly handled various infringements on exclusive trademark rights. Some cases of imitating famous and good-quality trademarks, especially infringements on the famous trademarks of foreign enterprises, have all been handled in good time. At present, China is planning to revise its trademark law and is considering supplementing it with the stipulation for service logos, in a bid to give more complete and effective protection to trademarks.

China's patent law came into force 1 April 1985. So far, about 200,000 patent applications from at home and abroad have been processed. Over 70,000 inventions and innovations under application have been patented, of which nearly 20 percent are patents for foreign enterprises and individuals. The inventions and innovations under the protection of China's patent law include inventions, functional innovations, and exterior designs.

China's patent system is still a fairly new legal system. As has been experienced by many other countries, China's patent law stipulates that no patent be given to foods, beverages, seasonings, drugs, substances obtained through chemical processes, and new zoological and botanical varieties. But this does not mean that inventions in these fields do not have any protection. First of all, though the existing patent law does not protect the products in these fields, the processes for producing these products can be patented. Second, Article 60 of the patent law states: "When an infringement dispute arises, if the patented invention is the process for producing a product, the unit or individual producing the same product should supply the proof of the process which has been employed in producing the product." This stipulation has in fact expanded the scope of process patent by shifting the burden of proof. Third, in the practice of patenting, the inventions of mixtures, components, alloys, paints, and dyes are all eligible for patenting. Only some of the products are ineligible. In recent years, relevant departments have been actively studying revision of the Patent Law, including extending the patent protection period from 15 to 20 years and extending the protection of patented processes to the protection of products produced by the processes. The objective is to promote research, exploitation, and innovation in China and meet the needs in conducting scientific and technological and economic cooperation and exchanges abroad. There is sufficient indication that China's patent system has joined the most advanced in the world.

China's copyright law came into force on 1 June 1991. The Copyright Law not only gives protection to written, oral, musical, theatrical, folk art, choreographic, fine art, photographic, cinematic, television, and video works, and drawings of engineering designs and product designs as well as related diagrammatic works, such as illustrations, maps, and schematic drawings; it also designates computer software as a type of formal work and brings it into the system of copyright law. On 4 June 1991, the State Council promulgated the "Regulations for Protecting Computer Software," stipulating specific measures for the protection of computer software. China's copyright law caters to the needs of reform and opening up and conforms to international practice.

Apart from the separate laws and regulations for intellectual property rights, China brought into force the Technical Contract Law on 1 November 1987, defining the rights, duties, and responsibilities of the parties to technical contracts in four categories, namely: Technical exploitation, technical transfer, technical consultation, and technical service. It put forward a series of legal norms for protecting the right of use and right of transfer concerning unpatented technical achievements. Thereupon, technical secrets (commercial secrets) started to receive protection in the form of contracts. On 1 October 1989, China's Law for Guarding State Secrets came into force. Article 8 of this law clearly stipulates that state secrets include scientific and technological secrets which should be protected from being leaked abroad. Whoever

fails to perform the duty of maintaining secrecy and transfers state secret-related technical achievements to unauthorized persons will be prosecuted according to law. Besides, China has also formulated administrative laws and regulations regarding technical imports and exports and the management of industrial product certificates, providing an effective means of protecting technical rights and interests in the form of contracts and through administrative measures. These laws and regulations are important supplements to the intellectual property rights system.

International Relations Regarding Intellectual Property Rights [subhead]

Mankind is moving toward the turn of the century. The coordination and sharing of intellectual property rights has become an important aspect of international economic relations. At present, the North-South gap is widening in the protection of intellectual property rights, East-West contradictions have been rising in turn, and clashes among developed countries are also frequent; on the other hand, international consultations revolving around the issue of intellectual property rights are becoming increasingly frequent and the process of international integration of intellectual property rights is speeding up. In China's 10-Year Program and Eighth Five-Year Plan, giving full play to the role of patent system and protecting intellectual property rights is taken as an important measure for developing science and technology. We must expedite the process of establishing a relatively complete protective system for intellectual property rights and make our due contributions to the establishment of a new international intellectual property rights order.

—**Persisting in respecting knowledge and men of knowledge, and in giving full respect and protection to intellectual property rights.** Today, the three major intellectual property rights systems, namely, patent, trademark, and copyright, have been set up in China. In the future, we should: Further improve the existing legal system and speed up formulating the Scientific and Technological Advancement Law and the Scientific and Technological Awards Law; strengthen the protection of spiritual and material rights and interests of inventors, discoverers, and other scientific and technological achievers; and study such new intellectual property rights issues as protection of integrated circuits, so that the legal system for intellectual property rights with Chinese characteristics can be improved to the level of perfection.

—**Persisting in taking the world situation and future needs into account and actively pushing forward internationalization of intellectual property rights.** Both the progress of science and technology itself and economic construction and social development require efforts to gather and absorb the scientific and technological achievements of various nationalities and countries. This makes it necessary for intellectual property rights legislation in

the various countries to approach international standards. China joined the UN World Intellectual Property Rights Organization [WIPO] in 1980, the "Paris Convention on the Protection of Industrial Property" in 1984, and the "Madrid Convention on International Registration of Trademarks" in 1989. China took an active part in the conclusion of the "Convention on the Protection of Intellectual Property Rights of Integrated Circuits" and was among the first to sign the treaty. Besides, China will hold formal consultations with WIPO and UNESCO on issues concerning China's joining the "Berne Convention for the Protection of Literary and Artistic Works" and the "World Copyright Treaty." It will play an active part in such international affairs as the conclusion of the "Patent Law Treaty," which is supplementary to the Paris Convention, and other international agreements.

- Upholding the principle of equality and mutual benefit and the spirit of settling disputes through negotiations.** Intellectual property rights legislation is within a country's sovereignty. Each country has the right to establish an intellectual property rights legal system which caters to its realities according to the objectives of its economic development and national conditions. The level of intellectual property rights protection can only match the level of scientific and technological and economic development of the country. Demanding that countries at different levels of development protect intellectual property rights by the same standard does not agree with the principle of equality and mutual benefit. We must emphasize that the international community should generally respect and understand the rights of developing countries in promoting their national economy, ensure that developing countries enjoy the right of sharing the benefits resulting from scientific and technological progress, respect the practices of developing countries in the scope, period, and methodology of intellectual property rights protection which caters to their national conditions, and allow developing countries to enter the integrated international system through a necessary transitional period. Imposing one country's protection standards on others, and even threatening retaliatory trade measures, is a complete violation of the international rule of settling disputes through negotiations on an equal footing. It is not only disadvantageous to international cooperation and exchange, but will only bring harm to both sides.

- Enhancing the consciousness of science and technology and law and promoting cooperation and exchange in science and technology.** Protecting intellectual property rights is part of the reform and opening principle and policy of the party and state. It embodies the will of the state and reflects the fundamental interests of the broad masses. China will, in the coming 10 years, proceeding from national conditions and taking account of the overall interests of opening up, improve the intellectual property rights law and create conditions to reach, after a short transitional period, the protection standards

commonly followed by the international community in areas where the protection level still lags behind. In the meantime, we will safeguard the technical rights and interests of foreign investors and cooperators through contracts and administrative measures. This requires that we comply with the demand of the new international economic order, renew our concepts, enhance our consciousness in science and technology and law, and make ourselves more conscientious in protecting intellectual property rights. Valuing contracts and keeping our word, we shall create a fine environment for cooperation and help promote international scientific and technological, economic, and cultural cooperation.

BAN YUE TAN on Reform Achievements

OW1812140391 Beijing BAN YUE TAN in Chinese
No 21, 10 Nov 91 pp 6-8

[Article by BAN YUE TAN Editorial Department: "Achievements Made in China's Reform and Opening Up Cannot Be Obliterated"; from "Lectures on Education in Socialist Ideology"]

[Text] In recent years, due to internal and external reasons, drastic changes have taken place in the political power of some socialist countries that have been vigorously developing in one corner of the earth. The deteriorating situation in those countries placed the cause of socialism in difficulty. There is no need to conceal these facts.

As a result, observers in the West, with great interest, focused their attention on China, hoping impatiently to see the arrival of the changes they have been expecting—China following the footsteps of the East Europeans.

But they have been disappointed. What they see is that the Chinese giant is still holding high the banner of socialism and is continuing its socialist construction with good results. What has been rattling their eardrums is this clarion voice: "No matter what changes have taken place in the international situation, we will resolutely follow our own road, that is, the road of socialism with Chinese characteristics."

Why was China able to remain as firm as rock in midstream and as strong as a mountain amid a storm? The reasons are numerous. This is what the Chinese people have experienced personally: The achievements made in reform and opening to the outside world cannot be obliterated. Without the reform and opening up in the past 10 years, there would have been no rapid economic growth; there would have been no enormous increase in the strength of the nation; the people would not be able to live and work in peace and contentment; and there would not have been marked improvement in their standard of living.... [ellipses as published] In short, without reform and opening to the outside world, socialist China would not be what it is today.

At the Beginning We Were Not Quite Clear About How To Build Socialism

According to the basic viewpoint of Marxism, human society is invariably in a state of constant change and development, and there is no exception for socialism. Just as Engels pointed out: "What is called socialism is not something unchangeable. We should regard it as a society undergoing constant changes and reforms just like any other society." After the founding of New China, Comrade Mao Zedong put forth the guiding principle of consolidating and improving the socialist system through reform. He said: "The basic contradictions of socialism are still those between the productive forces and the relations of production and between the economic base and the superstructure. These contradictions, different from those of the old society, are contradictions under the prerequisite of fundamental adaptability. They are nonantagonistic contradictions. There is no need to adopt the revolutionary method of class struggle to solve these contradictions. It is possible to gradually solve these contradictions and continuously consolidate and develop socialism through systematic reform under proper guidance."

These expositions by the revolutionary teachers tell us two principles: First, socialism can be consolidated, improved, and developed only by carrying out constant reform. Second, reform is carried out in order to allow the socialist system to improve itself; it is not carried out to negate the socialist system itself.

It is a pity that owing to the limitations of history, these theories were not embodied in our practice in socialist construction prior to the Third Plenary Session of the 11th CPC Central Committee. There are complicated reasons for this.

In the early days after the founding of New China, China's system was basically copied from the Soviet mode. This resulted in a pattern in which political and economic powers were highly centralized. This system played an important role in healing the wounds of war and in restoring and developing the national economy in the early days of New China; along with this over-centralized system, however, many malpractices accumulated at the same time. In fact, Comrade Mao Zedong already perceived these malpractices in his work "On the Ten Relationships."

But because brilliant results were achieved in China's socialist construction in the 1950's, the majority of the people had not—and could not have—analyzed the problems in connection with the system. Just as the Western countries entered the postwar golden period of development in the 1960's and 1970's, the weak points of the over-centralized system of socialist countries were further exposed. China launched the "Great Leap Forward" and "people's communes" in the latter part of the 1950's, and then the "Great Cultural Revolution" in the mid-1960's, pushing the national economy closer to the brink of collapse. At this time the East-West economic gap that had once been narrowed again drifted apart.

The Third Plenary Session of the 11th CPC Central Committee was the great turning point. Without carrying out reform, it will be impossible to maintain the development vitality of the socialist system—this has gradually become the consensus of all sectors of society. In accordance with the requirement of building socialism with Chinese characteristics, our party, proceeding from the reality that China is still in the primary stage of socialism, initiated a new historical era of all-around reform.

Reform and Opening Up Have Further Enhanced the Superiority of Socialism

In January 1979 Xiaogang in Anhui Province's Fengyang County quietly initiated the all-round contract system, ushering in the system of contracted household responsibility and taking the first step toward rural reform. In 1984 China's total grain output exceeded 420 billion kilograms, and the problem of clothing and food for China's 1 billion people was basically solved.

In October 1978 Sichuan Province began the experiment on delegating more power to enterprises, and since then enterprise reform has been progressing gradually. A dozen cities, including Chongqing, Wuhan, and Qingdao, were put under direct state control, thus strengthening their functions as the central cities.

Individual and private economic units, as supplements of the public ownership economy, are playing a positive role in various aspects of social life. An economic pattern making public ownership the main form of ownership and allowing various economic sectors to exist side by side has taken shape.

The reform of commodity circulation has also begun to take effect. Commodities under direct state control are becoming fewer and fewer. The phenomenon of disconnection between price and value is gradually disappearing, and the supply of both capital goods and consumer goods has greatly increased. Ordinary people are able to buy high-grade consumer goods, while the broad masses of the people are no longer restricted by various ration coupons. The market is dazzling with all kinds of commodities.

The establishment of Shenzhen, Zhuhai, Xiamen, and Shantou Special Economic Zones shows that China has opened its doors. The opening of Dalian and 13 other coastal cities means a widening of such openness. Implementation of the economic development strategy for coastal regions as well as the transformation of Hainan into the largest special economic zone shows that China has opened itself even wider to the outside world. The development of Pudong and Yangpu signifies that China is becoming increasingly firmer in opening itself to the outside world in the 1990's.

Reform and opening in the 1980's involved all sectors of society, and their impacts were great and far-reaching. They not only have brought about major changes in the Chinese people's way of thinking, life style, and values,

but have also yielded unexpected positive effects on the operating mechanism of the entire society. It was during the more than 10 years of reform that China achieved a higher economic growth rate than developed capitalist countries. These achievements naturally eliminated some of the people's misunderstanding and bias against the socialist society, making the Chinese people take the socialist road with even greater resolve and confidence.

The Socialist Road For Development Is Still Rugged and the Reform Will Go On and On

Since its beginning, the socialist movement has deemed its duty to be the overthrow of the capitalist system of exploitation of man by man. The struggle between the two social systems is inevitably protracted. In the several decades since the birth of socialist countries, capitalist countries have never stopped their threat, blockade, subversion, and sabotage. Today their adoption of the "peaceful evolution" strategy is nothing but a change of tactics. We must concentrate our efforts on developing our economy as soon as possible, on raising our labor productivity, on enhancing our overall national strength, and on catching up with and surpassing Western nations. The reform and opening to the outside world over the last 10 years have shown the unlimited vitality of the socialist system, but we still have many difficulties and have not yet thoroughly solved structural problems. Major problems are: large and medium state-owned enterprises still lack vigor, the basis for further agricultural development is insufficient, development remains uneven among various economic and social sectors, and we have not yet discovered the boundary between planned economy and market regulation, nor do we know clearly which way to go. Reform and opening to the outside world will have to go on and on. However, facts have proved—and will continue to prove—that only by keeping to the socialist orientation can we carry out effective reform and opening to the outside world, and only by firmly carrying out reform and opening to the outside world can we develop socialism. People have a hundred reasons to appeal to the public loudly: The contributions of reform and opening to the outside world must not be obliterated!

Science & Technology

Spokeswoman: Satellite Deployed in Wrong Orbit

HK0801064092 Hong Kong AFP in English 0549 GMT 8 Jan 92

[Text] Beijing, Jan 8 (AFP)—A Chinese Long March 3 rocket malfunctioned and failed to put a telecommunications satellite into its proper orbit, an aeronautics ministry spokeswoman said Wednesday.

A third-stage engine shut off prematurely after lift-off on December 28, leaving the domestic satellite short of its intended orbit and unable to perform telecommunications functions, ministry spokeswoman Zhang Lihui said.

The Long March 3, the centerpiece of China's commercial space program, is the only Chinese model able to launch satellites into geostationary orbit. The failure was its first in seven launches since 1984, Zhang said.

The rocket lifted off from the remote Xichang launch center in a mountain valley of western China's Sichuan province.

"The satellite is carrying out scientific functions, but cannot do the work of a telecommunications satellite," Zhang said, adding that it was not in danger of falling back to earth.

The Chinese-made satellite was in an elliptical orbit whose farthest point was 35,176 kilometers (21,985 miles) away. Its planned orbit had been at a fixed point 35,786 kilometers (22,366 miles) above the earth, she said.

Technicians pinpointed the problem to the second engine in the rocket's third stage and were confident that they could prevent similar mishaps in the future, the spokeswoman added.

China has promoted the Long March 3 and its Xichang site as a cheap and reliable alternative to the French-led Ariane space program, especially after the U.S. Challenger space shuttle disaster in 1986.

The Long March 3 has a payload capacity of 1,400 kilograms (3,080 pounds) and launched the U.S.-made AsiaSat 1 satellite in April 1990.

It is scheduled to put two Australian telecommunications satellites and a Swedish satellite into orbit this year.

China is developing a new version of the Long March 3, the Long March 3A, with a payload capacity of 2,500 kilograms (5,500 pounds).

Scientists Conduct Satellite Experiment for Sweden

OW2812113591 Beijing XINHUA Domestic Service in Chinese 2112 GMT 25 Dec 91

[By Li Chenfeng (2621 2525 7364) and Liu Linzong (0491 2651 1350)]

[Text] Beijing, 26 Dec (XINHUA)—China recently successfully carried out a vibration experiment for a Swedish satellite.

Vibration experiments are important in detecting the intensity environment of a satellite prior to its launching. The experiment is also needed to ensure the safe launching of a satellite. The Beijing Intensity Research Institute under the China Academy of Carrier Rocket Sciences undertook the task of carrying out the experiment for the Swedish satellite. The institute has advanced experiment equipment and technology and has successfully carried out vibration experiments for the "East is Red" satellites. This institute conducted its first foreign satellite vibration experiment in 1990. It also

provided kinetics data on the separation of satellite and rocket to a foreign satellite company.

Thanks to the close coordination between China's and Sweden's technicians, the vibration experiment for the Swedish satellite was successfully and safely carried out five days ahead of schedule. The manager of the Swedish Space Company, Swedish Satellite Engineering Company, said "We are very very satisfied with the experiment." His evaluations of the experiment are: "The acceleration precision control has been improved greatly; the handling of response curve has not only been rapid, but also timely; and I am sure experiments with European equipment will not achieve better results than the experiment conducted here."

Li Peng Lauds Synchrotron Radiation Accelerator

OW2712110091 Beijing XINHUA in English
1034 GMT 27 Dec 91

[Text] Beijing, December 27 (XINHUA)—Premier of the State Council Li Peng sent to the Chinese University of Science and Technology Thursday a message of congratulations on the completion of the construction of a synchrotron radiation accelerator in Hefei, capital of Anhui Province, east China, which had passed state appraisal.

Premier Li extended his warm congratulations and cordial regards to the people who had participated in the construction of the accelerator.

The message says the synchrotron radiation accelerator in Hefei is an advanced and complicated hi-tech project designed, manufactured, installed and tested by Chinese scientists and technical personnel independently. The completion of the accelerator fully reflects the wisdom and intelligence of the Chinese people and the high qualities of Chinese scientists, it notes.

In the message, Premier Li also encouraged the builders of the accelerator to work to make more contributions to the development of China's science and technology and to the country's socialist modernization.

Past Year 'Significant' for Science, Technology

OW2712041591 Beijing XINHUA in English
0056 GMT 27 Dec 91

[Text] Beijing, December 27 (XINHUA)—The year 1991 was a significant year for Chinese science and technology.

The Communist Party of China (CPC) General Secretary Jiang Zemin remarked that promoting science and technology is the key to the realization of the state's Eighth Five-Year Plan (1991-1995) and the 10-Year Development Program (1991-2000) in April this year.

Veteran leader Deng Xiaoping stressed that science and technology is the first productive force.

According to an official from the State Science and Technology Commission, China's expenditure on scientific and technological projects reached 15 billion yuan this year, an increase of 10.25 percent over 1990.

The Chinese Government gave special subsidies to 395 agronomists this year, and the Ministry of Personnel stipulated that experts, scholars and technicians who make outstanding contributions will be given bonuses of 100 yuan each a month from the government.

The State Council and the Military Commission of the CPC Central Committee gave the title "State Scientist With Outstanding Contributions" and awarded the medal of "First Grade Hero" to Chinese scientist Qian Xueseng.

The official said it is first time for a scientist to enjoy such an honor since the foundation of the People's Republic of China in 1949.

Meanwhile, the State Council examined and approved in principle an outline for the medium- and long-term development of science and technology and the Eighth Five-Year Plan and 10-Year Program for the Development of Science and Technology in China drawn up by the State Science and Technology Commission.

Scientists Progress in Survey of Spratlys

OW2712063291 Beijing XINHUA in English
0253 GMT 27 Dec 91

[Text] Guangzhou, December 27 (XINHUA)—Chinese scientists have collected a great deal of data and samples during their five years of scientific survey of the Nansha [Spratly] Islands in the South China Sea and nearby waters.

Listed as one of the state key projects of science and technology, the survey involved more than 300 scientists and technicians from 40 research units including the State Science and Technology Commission, the National Bureau of Oceanography and the China National Off-shore Oil Corporation.

During their survey, the scientists set up 13 sonobuoy refraction seismic stations, five geothermal measuring points, 1,000 chemical detection stations, 500 measuring stations, more than 400 integrated observing stations and dug one geological sampling well.

They also surveyed about 40,000 kilometers of cross-sectional lines and natural resources in 28 fishing areas covering 200,000 square kilometers.

The scientists have collected a great deal of data and samples for a dozen academic subjects including marine geology, geography, topographic feature, landform, living things and chemistry.

They have studied more than 40 special subjects and issued more than 400 papers and reports about their survey.

According to the scientists, these survey results will provide an important scientific basis for the development of the Nansha Islands and have a practical value in China's marine planning, national defense and navigation.

Military

Military Training for Students To Continue

HK0801071292 Hong Kong SOUTH CHINA MORNING POST in English 8 Jan 92 p 7

[By Fiona Chan]

[Text] China would continue to insist that first-year students at more than 10 mainland universities did 12 months military training, a senior Chinese official said yesterday.

Mr Zhu Kaixuan, Vice Minister of the State Education Commission, who is on a six-day visit to Hong Kong, said the Chinese authorities were determined to maintain the policy because it was "a way of understanding society".

After the 1989 democracy protests, mainly led by students, Beijing strengthened the teaching of Marxism and socialism among university students.

First-year students from at least 10 universities, including the prestigious Beijing University, the centre of the seven-week-long pro-democracy movement, now have to attend compulsory military training before beginning tertiary studies.

At the provincial level, it was reported last August that ideological control of schools had been intensified as thousands of Shanghai primary and middle school students began the new school year with increased indoctrination of patriotism.

When asked his view of criticism that China's policy had turned away from free education to socialist education, Mr Zhu said: "The mainland socialist education system is to stress party education direction—to train and fully develop talents. The present policy is the same as the past."

Mr Zhu is leading a delegation of 63 representatives from 14 universities, vocational training schools, and primary and secondary schools to report to Sir Run Run Shaw on how an \$82-million donation from him is being used.

Sir Run Run's charity organisation, the Shaw Foundation, has also donated \$102 million a Hangzhou teaching hospital.

Six saplings, to be planted on campus, were presented to Sir Run Run by Mr Zhu at yesterday's ceremony at the Chinese University.

Book on Deng's Thought on Army Building Published

OW2712143391 Beijing XINHUA Domestic Service in Chinese 0810 GMT 27 Dec 91

[By reporter Jia Yuping (6328 3768 1627)]

[Text] Beijing, 27 Dec (XINHUA)—"An Introduction to Deng Xiaoping's Thought on Army Building during the New Period" was recently published and distributed by the People's Liberation Army Publishing House. Liu Huaqing, vice chairman of the Central Military Commission, wrote the book's title.

Consisting of 250,000 characters, the book systematically discusses the strategic shift in Comrade Deng Xiaoping's guiding thought on army building. It discusses important concepts for comprehensively revolutionizing, modernizing, and regularizing our army; for expediting the modernization of weapons and equipment to keep pace with national strength; for giving strategic consideration to education and training; and for establishing a scientifically constituted military system through streamlining and reorganization. The book also examines important ideas for enhancing the modernization of logistics operations; for exercising scientific management of the army; for recruiting more revolutionary, younger, better-educated, and more professionally competent cadres and troops; and for strengthening political work in the army during the new period.

TV Series on Mao Military Thought Completed

OW2712064691 Beijing XINHUA in English 0323 GMT 27 Dec 91

[Text] Shijiazhuang, December 27 (XINHUA)—A television series on Mao Zedong's military thoughts was completed when Mao's 98th birthday falls yesterday. [sentence as received]

The series in seven parts uses rich historical materials to tell in an all-round way how the Mao Zedong military thoughts were formed and developed, his views and methodology of the war and his expositions concerning the people's army, people's war, strategy and tactics and national defence.

The series was produced by the Military Education College entrusted by the headquarters of the General Staff of the Chinese People's Liberation Army.

Nie Rongzhen Titles, Chi Haotian Prefaces Book

OW2812113791 Beijing XINHUA Domestic Service in Chinese 2118 GMT 25 Dec 91

[Text] Beijing, 26 Dec (XINHUA)—"Fragrant Soul," a nonfiction work detailing the moving deeds of nationally renowned support-the-army model Zhuang Yinfang, was recently published and distributed by the China Mining University Publishing House. Marshal Nie Rongzhen wrote the book title.

"Fragrant Soul" was written by Yao Huanzhang, a reporter for XUZHOUBAO. Using real material, the author graphically recounts Zhuang Yinfang's deeply moving and tear-jerking exemplary deeds in plain language that strongly reflect everyday life.

In his preface to "Fragrant Soul," Chi Haotian, chief of the People's Liberation Army's General Staff Department, says: "This is a good work with commendable ideological and artistic content. Besides having rather high artistic value, it has good teaching material for conducting education on supporting the army and on giving preferential treatment to the families of revolutionary soldiers and martyrs."

Military Leaders Praise Television Serial

OW2812132591 Beijing XINHUA Domestic Service
in Chinese 0241 GMT 27 Dec 91

[Text] Beijing, 27 Dec (XINHUA)—The filming of the three episode-television serial "Bearded General Sun Yi" was completed. The first screening of this television serial was held in Beijing yesterday.

Liu Huaqing, vice chairman of the Central Military Commission, inscribed the name of this serial.

Mixing news records with artistic hyperbole, this television serial faithfully and vividly records the old age of the veteran revolutionary General Sun Yi, whom Mao Zedong called "Sun, the practitioner." The serial movingly portrays the busy life of a retired general. It successfully conveys an image of selflessness in the person of General Sun. It also shows his deep feelings toward the people and his lofty ideals.

After viewing this serial, Chi Haotian, chief of the general staff of the PLA [People's Liberation Army], said that this serial has successfully presented the high moral standard of General Sun Yi. The serial is not only moving but also inspiring. He said this serial should be used as a good teaching material for young officers and men in their study of party history and in enhancing their conviction for socialism. He said that the spirit of General Sun should become our common property and that we should constantly carry forward his spirit.

This television serial was jointly produced by the Cultural Section of the PLA General Political Department and Taiyuan Television Station. Zhou Qi played the title role of Sun Yi.

Results of Double Support Activities Viewed

OW2912141191 Beijing XINHUA Domestic Service
in Chinese 0615 GMT 28 Dec 91

[Text] Beijing, 28 Dec (XINHUA)—Armed forces and people throughout the nation have earnestly implemented the guidelines of the national conference on double support activities. Thus far, over 150 provincial-level, double support model cities (counties) have been established. Efforts to intensify such activities have

effectively improved the overall level of double support work. They have given a powerful impetus to consolidating and developing the new relationship based on "shared life, destiny, and soul" between the military, government, and people; to solidifying and developing political stability and unity; and to successfully advancing the socialist modernization drive.

During the activities to create model double support cities (counties), armed forces and people in all localities promoted extensive cooperation between military and local authorities in all spheres by linking double support work with local economic and social development, material civilization with spiritual civilization, and leadership initiative with public enthusiasm. Party, government, and military leaders in many provinces regarded the creation of model double support cities (counties) as the goal of their tenures and undertook careful planning and organizational efforts. Thirty provinces, autonomous provinces, and municipalities directly under the central government established leading groups in charge of double support work to coordinate efforts in creating model cities (counties). Local authorities showed greater care and support for the army, thereby unleashing a momentum toward setting up a chain of command extending successively from leadership bodies to government organizations, businesses, and society in support-the-army activities. Top leaders in Jiangxi, Guangdong, Guangxi, Hunan, Hubei, Shanxi, and Shaanxi Provinces conducted on-the-spot business among locally deployed troops, prescribing instant solutions to practical problems broached by armed forces. Many localities adopted preferential measures to resettle demobilized military cadres, to arrange employment and housing for military dependents accompanying the troops, and to help servicemen enroll their children in schools and kindergartens. In response to the Central Military Commission's appeal for "cherishing the people, learning from the public, and serving the populace," commanders and fighters from various military units in the armed forces showed the same affection and respect for their places of deployment and the local people as they did for their hometowns and parents, thereby demonstrating sincerity, modesty, and total devotion in cherishing the people, learning from the public, and serving the populace. Members of the People's Liberation Army worked in the most rigorous and dangerous places during disaster relief operations. Over 30,000 joint military-civilian units played a tremendous exemplary role in building spiritual civilization. Servicemen displayed their prowess as shock troops in building key local construction projects and public utilities. Since the national conference on double support activities, troops from all branches of the armed forces have put in some 10 million workdays to help build over 300 local projects and public utilities. Since the advent of winter, they have lent full support to local farmland capital construction projects and have assisted in harnessing over 300 rivers and lakes, including Taihu in Jiangsu, Dongtinghu in Hunan, Heishuihe in Shaanxi, Daguanghe in Yunnan, and Liangshuihe in Beijing.

Various localities and military units went all out to create a momentum to achieve striking success in establishing model double support cities (counties). They worked in a down-to-earth manner, starting their programs in factories, schools, villages, and neighborhoods. They commenced their work by conducting education on the need to support the army, give preferential treatment to the families of army men and revolutionary martyrs, support the government, and cherish the people, and by encouraging army men and people to jointly handle some routine chores. This led to constant improvements in double support work at the grass-roots level. Currently, the broad ranks of army men and people generally understand that the slogan of "shared life, destiny, and soul" is a general appeal for launching double support activities, and that the motto of "cherishing the people, learning from the public, and serving the populace" is a fundamental call to the army for supporting the government and cherishing the people. They also understand that the catchword of "unity, consultation, and unity" is the basic principle for handling the military's relations with the government and people, and that the consolidation of unity among the military, government, and people is an important political factor guaranteeing the success of socialist modernization. Provincial capitals, such as Shijiazhuang, Changchun, Harbin, Fuzhou, Nanchang, Jinan, Yinchuan, Lhasa, and Urumqi cities, took the lead in creating provincial-level, double support model cities. Judging by various economic indicators, Baoji City, among the first group of cities named as national double support models, led other cities in the province in economic development. It was also at the forefront of cultural and educational development in the province. Thanks to its participation in activities to create model double support cities, Yantai City experienced speedy economic development and became one of the cities with the best record of public order in the country.

In launching activities to create model double support cities (counties), authorities in various localities achieved breakthroughs in solving historical problems between the military and localities, thereby ridding some provinces and autonomous regions, such as Qinghai and Ningxia, of historical problems.

Article Alleges Mutiny on Missing Submarine

HK3112080291 Hong Kong CHENG MING
in Chinese No 171, 1 Jan 92 pp 22-23

[Article by Ling Hsueh-chun (0407 7185 0689): "Truth Behind Mysterious Disappearance of R-33 Submarine"—first paragraph is CHENG MING introduction]

[Text] An R-33 submarine from Communist China disappeared during an exercise; the truth is that a mutiny took place aboard the submarine. The defectors kidnapped the submarine's captain and demanded that he steer the submarine to a U.S. military base in South Korea or Japan, but they were refused by Communist

China's military. Finally, the defectors sunk the submarine, leading to the deaths of some 40 officers and sailors of Communist China's Navy.

In mid-November 1991, a submarine of Communist China disappeared in the East Sea, arousing attention and speculation in various quarters, but many reports did not have a detailed account.

Recently, an army-level cadre disclosed details of the incident, revealing the secret of the disappearance of the submarine.

PRC's "Wei-11" Near-Sea Attack Exercise

On 15 November, in the Yellow Sea and East Sea, the PRC Navy began a three-day large-scale near-sea attack exercise, code-named "Wei-11."

"Wei-11" was jointly organized by the East Sea and North Sea Fleets. It involved ships, submarines, the Naval Aviation Corps, totaling over 60 ships, of which 20 were conventional submarines and four nuclear submarines. There were also 30 aircraft of various kinds. The whole exercise was directed by the commander of the North Sea Fleet and the deputy commander of the East Sea Fleet.

An R-33 Submarine Used an Excuse To Steer Toward South Korea

When the exercise entered its second day, that is, on the afternoon of 16 November, a conventional R-33 submarine in the fleet was about to return to Weihai Naval Base in Shandong Province. However, shortly afterward the submarine deviated from the fleet's course and steered away alone.

The ground command center received notice: The submarine's engine had a problem and needed emergency repairs. The command center instructed: Remain where you are when carrying out emergency repair and wait for rescue ships.

Soon after, the shore command center observed that the submarine had not stopped but was headed toward South Korean waters. Half an hour later, it lost contact with the submarine. At midnight, the command center observed that the submarine suddenly sank.

Mutiny on Board; Shooting Took Place

According to the army-level cadre, information has it that some people on board the submarine attempted a mutiny and demanded the submarine head for South Korea or Japan but they were refused by the captain. Thereafter, shootings took place. Judged from the submarine's course, it seemed that the defectors had controlled the situation.

Based on the mayday signal sent by the submarine captain, PRC naval surveillance planes and the ships participating in the exercise launched a search operation; they finally found the submarine and surrounded it.

Defecting Officers and Sailors Died With Submarine

At that moment, the defecting officers and sailors on board the submarine proposed to the surrounding ships that they be allowed to sail safely to the U.S. military base either in Nagasaki, Japan, or Pusan, South Korea, otherwise they would die with the submarine.

After asking instruction from the base, the surrounding ships refused their demand. Hence, the defectors began to sink the submarine, which then disappeared in the East Sea.

The army-level cadre said that the submarine was launched in 1988 and officially entered duty in 1990. The battery function on board the submarine, the propelling force for the engine, and the fire control system reached the level of early 1980's; it was also equipped with French sonar facilities and Swedish electronic facilities. Most of the officers and sailors on board the submarine were graduates from the Naval Academy and had served for a very short time. After the incident took place, the military was shocked and formed a work team for investigation. The East Sea Fleet has been given the duty of salvaging the sunken submarine.

"Military Would Not Negotiate With Defectors"

The defection incident by submarine officers and sailors caused discussions among senior-level naval officers. Someone thought that the exercise this time was to flex a muscle for Taiwan to see but ended up with this kind of shameful incident, so there is a need to examine the problem of "soldiers' morale." Someone said privately that the authorities should have negotiated with the defectors and tried to save those who were kidnapped.

However, the army-level cadre said that the PRC military would not negotiate with defectors and that it would not hesitate even if those kidnapped have to be sacrificed.

Communist China Has 15 Nuclear Submarines

According to military data, China has 151 conventional submarines; since 1985, each year it has renovated 20 submarines and built 10 submarines of an improved type. The 35 submarines which entered duty in the 1960's and early 1970's have been demobilized in turn. The North Sea Fleet has 45 conventional submarines. Nuclear submarines entered duty in the 1980's and 15 have been launched since then. The most recent nuclear submarine to join the East Sea Fleet was successfully launched for its maiden voyage in May this year.

Song Hanliang Stresses Defense at Meeting

OW2812135991 Urumqi Xinjiang Television Network
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[Announcer-read video report by Ilisa Osman and Zhou Xiaoying; from the "Xinjiang News" program]

[Text] A Xinjiang militia work conference opened in Urumqi this morning. The meeting was attended by

regional party, government, and military leaders Song Hanliang, Janabil, Li Shoushan, Jin Yunhui, Keyum Bawudun, Guo Gang, Wang Lequan, (Haili Qiemu Silamu), Ulatayov, and Fu Bingyao; responsible comrades of the relevant regional departments and bureaus; and principal leaders of all prefectures, cities, counties, and production and construction corps and divisions. [Video opens with a wide shot of a medium-sized conference room where leaders are seated at two rows of tables facing an audience of about 200 people; a red and white banner hung on the front wall reads, in both Chinese and Uygur "Xinjiang Uygur Autonomous Regional Military Work Conference"]

Jin Yunhui, deputy secretary of the regional party committee, chaired the meeting. [Camera shows a close-shot of each of the leaders as their names are read by the announcer]

Fu Bingyao, deputy commander of the Xinjiang Military District, delivered a speech, which was entitled "Recognize the Situation, Clearly Define the Tasks, and Effectively Strengthen Xinjiang's Militia and Reserve Service Work." In the speech, Fu Bingyao transmitted important instructions of the Central Military Commission, the Army General Headquarters, and the Lanzhou Military Region on intensifying the construction of militia and reserve service, summarized Xinjiang's experiences and problems in the militia and reserve service work during the Seventh Five-Year Plan, and setting specific demands for the work at present and for some time to come.

Wang Lequan, Standing Committee member of the regional party committee and vice chairman of the regional government, read a circular of the regional party committee, the regional people's government, and the regional military district on commending leaders who made outstanding contributions to building up national defense and reserve forces.

Yusufu Aisha, (Li Pengci), (Wang Demin), (Udunfu), (Abula Abak), (Zhang Changkun), and 82 other officials received certificates of merit at the meeting. [Video shows the officials stepping forward to receive the certificates from leaders]

Song Hanliang, secretary of the regional party committee, made an important speech at the meeting. He said: The only way to build up a country lies in a strong economy and powerful national defense. These are two essential pillars for a country to stand on its feet in the world forest of nations. Against the current fast-changing international situation, we leaders at all levels should not only store our wealth, but also recruit our soldiers from among the people. In peacetime, we should strive to prosper economically as well as be prepared for danger. We should keep a cool head on the issue of building up national defense and reserve services and take the initiative to actively carry out the work.

Discussing major problems to be resolved in current militia and reserve service work, Comrade Song Hanliang said: We should continue to intensify the construction of grass-roots militiamen and effectively promote joint militia construction of urban factories, mines, enterprises, and institutions with rural townships and villages. We should accelerate infrastructural construction. We should pay close attention to building up the people's armed forces departments and further improve their existing administrative system. We should promote militia construction in key areas—especially the construction at the squad level—and improve various [words indistinct], so as to ensure that militiamen can be recalled and can go into military operations at anytime. We should bring into full play the leading role of militiamen in economic construction and organize them to take part in the construction of the two socialist civilizations.

In conclusion, Comrade Song Hanliang said: The 1990's will be a crucial decade for Xinjiang's economic construction. A strong national defense is an essential guarantee for fulfilling the second-step strategic goal. I am convinced that as long as we resolutely implement the spirit of the instructions of the party Central Committee and the Central Military Commission, persist in carrying out the principle of revitalizing the economy and enhancing ideological and political work, and work concerted, we will definitely be able to push Xinjiang's militia and reserve service work to new heights and make still greater contributions to consolidating border defense, stabilizing Xinjiang, and promoting its economy. [While the announcer paraphrases Song Hanliang's speech, camera alternately shows close-up shots of Song and pan shots of conferees]

Economic & Agricultural

Vice Premier on Stabilizing Rural Policies

HK3112114391 Beijing XINHUA Domestic Service
in Chinese 0244 GMT 22 Dec 91

[Article by Tian Jiyun: "Several Problems Concerning Stabilizing Basic Rural Policies"]

[Text] Beijing, 22 Dec (XINHUA)—Among China's 1.1 billion population, over 900 million are rural residents. China's social and economic situations in the 1990's will depend on the situation in rural areas. At present, China's agriculture and rural situations are very good. One may well say that with abundant harvests of all food crops and thriving herds of domestic animals, rural areas are one vast panorama of living and working in peace and contentment. However, there are still some problems in our work, which need further discussion and clarification. The document "CPC's Decision on Further Strengthening Agriculture and Rural Work," which was adopted at the recent Eighth Plenary Session of the 13th CPC Central Committee, has given a comprehensive and

systematic exposition on problems concerning agriculture and rural work. I am sure that through implementation, this document will undoubtedly play a significant role in stabilizing and promoting China's agriculture and rural situation. Here, I would like to say a few words about my personal understanding and views on ways to stabilize the party's basic rural policies and agricultural socialized services, which are mentioned in the document, as well as on issues concerning township and town enterprises:

1. Unremittingly stabilize responsibility systems mainly represented by the contracted household responsibility system with remuneration linked to output. Stabilizing the party's basic rural policies is a most fundamental factor to stabilize the overall situation and further expedite agricultural development.

It can be called an old problem as to how to stabilize and perfect the party's basic rural policies. However, it is still of immediate significance to pick up and attach importance to this old problem, because this is a basic problem concerning the stability of rural areas as well as the overall situation of the entire country.

Since the Third Plenary Session of the 11th CPC Central Committee, under the leadership of Comrade Deng Xiaoping and in observance of the spirit of seeking truth from facts, our party has worked out a whole set of rural reform policies in light with rural conditions. This set of policies aims to, within the framework of the collective economy, carry out various types of production responsibility systems mainly represented by the contracted household responsibility system with remuneration linked to output throughout rural areas. Centering around this set of basic policies, a complete policy system has come into being and remained stable and unchanged. This means that the contracted household responsibility system with remuneration linked to output will remain stable and unchanged; the policy of promoting township and town enterprises will remain stable and unchanged; the principle of developing a diversified economy while paying close attention to grain production will remain stable and unchanged; the policy of promoting a multi-economic element under the prerequisite of upholding public ownership will remain stable and unchanged; and the policy of allowing some people to become rich before others and then help the latter to bring about common prosperity will remain stable and unchanged. Practice has proved that our party's basic rural policies are successful ones, which are enjoying popular support. Precisely because of these policies, the enthusiasm and creativity of the vast numbers of peasants in production has been greatly mobilized; and China's agricultural production has steadily reached new steps and scored progress and achievements which have caused the world to notice. Precisely because of these achievements, when serious floods rarely seen in history hit China this year, China's overall rural areas managed to maintain stability and normal development, performed unprecedented miracles in flood relief work and self-reliance, and saw the second record year in

history. In the past, some people said that the contracted household responsibility system with remuneration linked to output was unable to cope with large-scale natural disasters or to organize water conservancy constructions. Facts have shown, however, that this responsibility system can both cope with natural disasters and organize water conservancy construction. In every winter and spring during recent years, several tens of millions of people have pitched into water conservancy work on an unprecedented scale and with most efficiency. Judging from a deeper level, during the transit period in which China's rural areas develop from a rural economy to an industrial economy, it is the greatest social insurance for peasant that, with several mu of land in their possession, they can be both workers and peasants and both merchants and peasants, and have room to advance and retreat. In addition, this is also one of the basic factors leading to the strong vitality of township and town enterprises. Therefore, peasants regard the responsibility system as their life's blood. Upon a practical and realistic observation, we can easily draw such a conclusion: The series of basic rural policies mainly represented by the contracted household responsibility system with remuneration linked to output tally with China's national conditions and the development level of China's rural productive forces, and are therefore very popular among the broad numbers of peasants. It has exuberant vitality not only in the 1980's, but also during the present stage.

Precisely because of this, the central authorities have always taken a clear-cut and resolute stand in stabilizing basic rural policies. All previous important meetings and documents of the central authorities, and successive important speeches of central leaders have repeatedly emphasized the need to stabilize basic rural policies with stress on the contracted household responsibility system with remuneration linked with output. We should act in union with the party Central Committee on this issue. In our practical work, we should conscientiously master, implement, and constantly deepen and perfect the spirit of the central authorities' basic policy to stabilize rural areas in a comprehensive way. We should refrain from being carried away by our whims and creating new practices recklessly. To strengthen the collective economy, some localities inappropriately raised land contract charges and worked out new rules guiding profit retentions, thus adding to the burdens of peasants; some ran counter to the will of peasants by taking back and turning over to the collective all or part of the land which had already been contracted to peasants; others even altered the ownership relations of rural enterprises by adopting incorrect practices, such as the so-called "buying-out policy." All these practices ran counter to the spirit of the Eighth Plenary Session of the 13th CPC Central Committee, and aroused strong aversion and resistance among peasants. The Eighth Plenary Session of the 13th CPC Central Committee has, once again, solemnly stated that it is extremely necessary and correct to stabilize and perfect the party's basic policies in rural areas, and to continue to deepen the rural reform. We

should act most consciously and resolutely in implementing the party's basic rural policies, and refrain from acting at will. This is a basic issue that we should handle correctly in our efforts to attain the second-step strategic goal in the 1990's.

2. Unremittingly strengthen the building of rural socialized service system, perfect the management system in rural areas whereby unified management is combined with separate management, and promote the collective economy step by step.

During recent years, there have emerged some misunderstandings and muddled ideas concerning the party's basic rural policies, and some localities have even made deviations in their day-to-day operation. One of the reasons leading to such a situation is that they failed to obtain a correct and clear understanding of the attribute of the public-ownership economy of the contracted household responsibility system with remuneration linked with output; some comrades even considered the responsibility system an expedient measure, which meant the same as "sharing out land and individual farming." Our failure to carry out a comprehensive propaganda in the past also added to the misunderstanding of these comrades.

The only criterion for judging truth is practice. The contracted household responsibility system with remuneration linked with output, which is being currently carried out in China's rural areas, emerges within the framework of the collective economy. Generally speaking, it will be gradually developed and perfected under the prerequisite of not changing the collective ownership of land—a basic means of production. We can say, therefore, that the contracted household responsibility system is also one part of the collective economy, not a practice under private ownership of sharing out land and carrying out individual farming. This serves as a theoretical ground on which we uphold and perfect the basic system. Different from the People's Commune period, the implementation of the contracted household responsibility system with remuneration linked to output has changed from the single centralized management in the past to the dual-level management system combining both unified and separate managements. In the dual-level management system of the collective economy, household management belongs to the level of separate management; however, it still remains within the scope of the collective economy. Because it conforms to the realistic features of agricultural production and operation, and tallies with China's national conditions, such a dual-level management system which integrates unified management with separate management is better received by Chinese peasants and, therefore, has a stronger vitality. The development of rural reform in the past decade has shown clearly that the rural collective economy which includes township and town enterprises was not weakened by the contracted household responsibility system with remuneration linked to output; on the contrary, it has undergone unprecedented development. At present, through calling for efforts to develop

fails to grow even when production is increased, we should adopt a number of measures of comprehensive improvement; for example, we should vigorously dredge circulation channels and activate circulation; appropriately increase the state's reserves of agricultural products (including grain, cotton, oil, meat, and sugar); make up for lean years with bumper harvest years; appropriately increase exports; readjust cultivation structure in a planned way, and appropriately enlarge areas sown to cash crops; gradually afforest farm land on steep slopes, or intercrop trees and crops. In my opinion, however, the fundamental way to solve this problem, which is plaguing peasants, is to vigorously develop township and town enterprises and tertiary industries; transfer large numbers of surplus laborers held up by crop cultivation to nonagricultural industries; and develop a diversified economy. This is a major way for us to provide more jobs, enhance the income of peasants, and bring about prosperity to rural areas. With higher income and higher purchasing capability, peasants will surely make more input into agriculture, thus increasing market demands to great extent, stepping up industrial development in urban areas, and prosper both urban and rural economies. During the Seventh Five-Year Plan period, 50 percent of the net increase in peasants' income across China came from township and town enterprises. Now, in some localities of Jiangsu and Shanghai where township and town enterprises are more advanced, the proportion of agricultural income in the total revenue of peasants has been gradually reduced, and peasants now mainly rely on township and town enterprises for income increase. From a comprehensive point of view, the present gaps in peasants' income, including peasants in eastern, central, and western parts of China, are resulted, to a great extent, from the different development levels of township and town enterprises. Gaps also exist in crop cultivation and per unit area yield, yet these gaps are not so wide. Without developing industries or township and town enterprises, it is impossible to attain the goal of "providing our people with a fairly comfortable life" if we merely rely on agricultural development. It can be said that without the continued development of township and town enterprises, it is absolutely impossible for us to attain the country's second-step strategic goal of economic development, quadruple 1980's GNP in the 1990's, or raise the living standards of the people to leading a relatively comfortable life. It is quite evident that without development of township and town enterprises by leaps and bounds, we can neither bring about a fairly comfortable life to the 900 million people in rural areas, nor to the 1.1 billion people throughout the country. Therefore, we should unremittently carry out policies on developing township and town enterprises without vacillation under any circumstance.

The development of township and town enterprises in recent years has led to prosperity of existing small townships and towns and also to the rise of a number new ones. Integrating the development of township and town enterprises, and the establishment of small-scale industrialized zones with the building of small townships

and towns is a major way to urbanize China's rural areas. Alongside the development of township and town enterprises as well as small townships and towns, the financial situation at the township and town levels, and even at the county level, will be improved to a great extent. In a number of localities where township and town enterprises are more advanced, 70-80 percent of financial revenue at the township and town levels and 40-50 percent of the country-level financial revenue come from township and town enterprises, and people in these localities have had a far better life than before. From a macroeconomic point of view, and judging from social development efficiency, the state needs to grant certain kinds of preferential treatments to township and town enterprises.

There indeed exist some unhealthy trends during the development process of township and town enterprises, and we should pay close attention and put a prompt end to such trends. However, this is not the main problem, because such unhealthy trends exist not only in township and town enterprises, but in state-owned enterprises as well. It takes the concerted efforts of all social sectors to get rid of these unhealthy trends.

The fundamental issue in developing township and town enterprises lies in mechanism. Right from their birth, township and town enterprises have to stand various tests from the markets; operate independently and assume full responsibility for their profits and losses; strive to survive in reform and attain development amid competitions. When township and town enterprises are encountered with difficulties, workers and staff members in these enterprises willingly work without pay to ensure funds for production. By so doing, workers and staff members share a common fate and tide over difficulties together with their own enterprises. However, workers and staff members who perform poorly in their work, or are considered unsuitable for working in township and town enterprises will be discharged and sent back to agricultural production at any time. Such a spirit and mechanism merit support and encouragement, and are proved necessary in our efforts to reinforce the socialist economic strength.

It goes without saying that township and town enterprises will, at their early stage of development, have various kinds of deficiencies. During the Seventh Five-Year Plan period, particularly during the period of economic improvement and rectification, township and town enterprises carried out structural reform in accordance with the industrial policies of the state, and their industrial structure now tends to become more rational. In the future, township and town enterprises will continue to act in observance of the principle of "vigorous support, rational planning, correct guidance, and reinforced management." Particularly, localities which have a late start in developing township and town enterprises or fail to attain rapid development in this field should make greater efforts to quicken their steps in an appropriate way. Of course, we should proceed from reality and refrain from rushing headlong into mass action in

running township and town enterprises, or pressing work targets and tasks upon township and town enterprises.

In developing township and town enterprises, we should act in accordance with the industrial policies of the state and must not turn out products which are restricted by the state; we should obtain reliable energy resources and must not cook a meal without rice; we should try to enhance the quality and grades of products and must not manufacture in a rough and slipshod way; we should attach importance to environmental protection and must not pollute the environment; and we should observe rules and regulations, and pay taxes according to the law. To put it briefly, so long as we strictly implement the state's policies and obtain real results, it is totally possible for us to maintain the stability and healthy development of township and town enterprises.

Township and town enterprises are charged with heavy historical tasks. I hope that the entire society can show concern over, support, and assist them, to push them onto a new phase of development.

Commentator's Article on Rural Collective Economy

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["Commentator's" article entitled: "Strengthening Collective Economy in Rural Areas Does Not Mean 'Doing Everything Under Centralized Planning' Once Again"]

[Text] Beijing, 30 December (XINHUA) —The "Decision of the CPC Central Committee on Further Strengthening Agriculture and Work in Rural Areas"—which was adopted by the Eighth Plenary Session of the CPC 13th Central Committee—pointed out: It is necessary to "maintain a household contract responsibility system based primarily on remuneration linked to output, and a two-tier operating system integrating unified management with independent management, as the basic systems for collective economies in rural China which are to be constantly substantiated and improved over a long period of time." "Improving the two-tier operating system includes improving the contractual operation of households and the collective, unified management. Contractual operation of households is not the same as 'dividing the land and letting everybody do whatever he likes with it;' collective, unified management is not the same as 'doing everything under centralized planning.'" It is categorically pointed out in the decision of the Central Committee that while one is not tantamount to "dividing the land and letting everybody do whatever he likes with it," neither is the other tantamount to "doing everything under centralized planning." To stabilize and improve the two-tier operating system at this juncture is a matter of great significance.

Developing and strengthening the collective economy, and guiding peasants towards the road of common prosperity, constitute an important component of our country's socialist cause. It is also a fairly long-term strategic objective of our struggle in the historical period

to come. However, what are the implications of collective rural economy today, and how should it be developed and strengthened? This is the question which we must have a clear idea on, otherwise there will be no correct basis for formulating the policy.

It must be pointed out that, presently, when one mentions collective economy in certain localities, some people tend to associate it with the kind of unitary and centralized management of the past, according to such patterns as "doing everything under centralized planning" and "having food prepared in a large canteen cauldron."

These patterns had lasted over twenty years in Chinese rural areas, and their influences should not be belittled. For instance, while talking about strengthening the collective economy, some localities will act contrary to the wishes of peasants by recalling a part or all of the land contracted to peasants; other localities will unduly raise the fee for contracting land and the retention fee, thereby increasing peasants' burden; and some even resort to so-called "buying-out" to convert the ownership relationship of individual enterprises in rural areas. All these are not the correct approach.

The reasons for committing such mistakes are: First, some do not understand that the household contract management system is a form of public ownership in nature, mistaking it as "dividing the land and letting everybody do what he likes with it," or as "privatization" or an expedient measure. Hence, they are inclined to "change" as soon as there is a slight improvement in the economic situation. Second, some are not clear about the management and service functions of the collective economy. Therefore, once the collective economy is mentioned, some will think that we are going to revert to a management model of "having food prepared in a large canteen cauldron." These erroneous approaches will very likely have a damaging effect on rural productivity.

The household contract responsibility system with remuneration linked to output which is practised in rural China is grown out of the framework of collective economy. It has not changed the collective ownership nature of land—the basic means of production. The household contract system with remuneration linked to output represents a stratum in the two-tier management system of our country's collective economies. It is a component part of a collective economy. In no way is it related to "dividing the land and letting everybody do what he likes with it," or to privatization. Likewise, the collective economy in rural areas we talk about today is completely different from the type of system which "integrates government administration with commune management." Today collective economy in rural areas refers to an economic entity. The principal idea of developing a collective economy is to gain the acceptance and support of contracting households and gradually strengthen its own economic position by organizing extensively and through various channels as well as various service activities. This type of economic entity

should not make peasants accept services by force, still less aggrandize itself by infringing upon peasants' interest through deprivation. Under this framework of collective economy, one will find on one end enthusiasm for production on the part of contracting household peasants, and on the other a service entity with ever rising standards and services backed by ever growing economic strength. This will be a basic pattern in the development of our country's rural economy for quite a long time to come; it also embodies the basic makeup of the socialist rural economy with Chinese characteristics. Some people do not bother to analyze the concrete situation. Once they hear about developing "collective economy," they imagine that they are going to "have food prepared in a large canteen cauldron again." In fact, this is also a misunderstanding.

NONGMIN RIBAO on Promoting Rural Work

HK2712150391 Beijing NONGMIN RIBAO in Chinese
3 Dec 91 p 1

[Editorial: "Seriously Study Communiqué, Promote Rural Work"]

[Text] The Eighth Plenary Session of the 13th CPC Central Committee took discussion of and arrangements for agricultural and rural work as the central issues on its agenda and comprehensively studied the rural work and the relevant policies in all aspects at present and for a certain period to come in our country. The plenary session deliberated and adopted the "Decision on Further Strengthening Agriculture and Rural Work." This fully shows that the party central leadership attaches great importance to agricultural and rural work and fully demonstrates the important position and role of agricultural and rural work in the construction of socialism with Chinese characteristics. This important meeting of historical significance will certainly have a far-reaching influence on rural reform and construction in the 1990's and on the overall prosperity of the rural economy. The "Communiqué From Eighth Plenary Session of 13th CPC Central Committee" pinpointed the basic spirit of the central committee plenary session. Seriously studying the "Communiqué," deeply understanding the spirit of the plenary session, and comprehensively implementing the spirit of the plenary session will be an important task for the whole party, all people throughout the country, especially the agricultural departments at all levels, and for rural party members, cadres, and the masses at present and for a fairly long period to come.

Rural reform has been carried out for 12 years. The socialist revolution and construction in our country have entered the last decade of the 20th century. This decade of laying a foundation for advancing into the 21st century is a crucially important historical period. Over 80 percent of our 1.1 billion people live in the countryside. Thus, further strengthening agricultural and rural work is of special significance. Precisely because our party was soberly aware of our basic national conditions, and attached great importance to agriculture as the

foundation of the national economy, the plenary session specially studied agricultural and rural work. The plenary session fully affirmed the party's rural policies since the Third Plenary Session of the 11th CPC Central Committee and highly valued the great achievements in our country's rural reform and construction during the 1980's. The "CPC Central Committee's Decision on Further Strengthening Agricultural and Rural Work" adopted by the plenary session: Comprehensively sums up the basic successful experience in rural reform; puts forward the main tasks in agriculture and the rural work in the 1990's; points out the significance of further deepening rural reform and the orientation, contents, and key points of in-depth reform; and expounds the party's principles and policies for rural work through combining theory with practice. This is a programmatic document with rich and comprehensive contents for guiding our agricultural and rural work. The formulation of the "Decision" is the crystallization of the mass creations, the party's leadership, and collective wisdom.

To implement the spirit of the plenary session and the document, we should first seriously study and profoundly understand the spirit of the "Communiqué," and fully, comprehensively, and accurately understand General Secretary Jiang Zemin's important speech and the spirit of the "Decision."

Through study, we should first fully understand the great importance of strengthening agriculture and the rural work; seriously understand the profound meaning of the thesis that "agriculture forms the foundation for economic development, social stability, and national independence;" and really understand that the issues of agriculture, the peasants, and the countryside have always been basic issues in China's revolution and construction. Without comprehensive progress in the countryside, there will be no comprehensive progress in society as a whole; without the peasants' having comparatively well-to-do living conditions, it will not be possible for the entire people in the whole country to live in comparatively well-to-do conditions; and without agricultural modernization, there will be no modernization of the national economy as a whole. Therefore, we must attach importance to agricultural production and rural work and make indomitable efforts to overcome difficulties and to strive for better results in agricultural production.

The study of the "Communiqué" should be linked with practice and the present rural work. The study should actually improve and promote the rural work in all fields and promote the economic reform and economic development in the countryside. In recent years the party's basic rural policies, including the contract responsibility system on a household basis with remuneration linked to output, were suited to the rural productivity conditions at the present stage and were welcomed by the broad masses. They must be kept stable for a long time and should be continuously consolidated and improved. Continuing to stabilize the contract responsibility system on a household basis with remuneration linked to

output; continuously improving the double-tier management structure which combines collective and individual operation; actively developing the socialized service system; gradually building up the collective economy; and guiding peasants to take the road of becoming rich together, will be the key points of our rural work at present and for the future and will also be the orientation and main contents of the in-depth rural reform. These points constitute an integrated body. They are complementary to each other and will promote each other. Our rural leaders at various levels, and comrades working in the countryside, should bring their thinking into line with these points to give correct and timely guidance, exercise effective leadership, and to promote rural reform and construction in the 1990's. Poverty is not socialism, nor is polarization between the rich and the poor. We should enable all the peasants to finally move onto the road of becoming rich together through reform. This is determined by the nature of our socialist system and is also the basic purpose of the rural reform we started over 10 years ago.

When studying and implementing the "Communique," we should comprehensively, fully, and profoundly, rather than one-sidedly, separately, and superficially, understand its essence. In studying the "Communique," party leaders and party organizations at various levels should give play to the organizational functions. In particular, the "Communique" should be made known to every party member, grass-roots cadre, and rural resident exactly as it is, so that the spirit of the plenary session can actually be turned into the masses' action in changing the world. At present, socialist ideological education is being extensively conducted in the vast countryside of all localities and initial results have been achieved. The agricultural departments at all levels should be fully aware that this is a strategic task for comprehensively advancing socialist construction and reform in the countryside and should actively cooperate with the local party committees and government departments in effectively conducting socialist education. We believe that as long as our party organizations at all levels and the entire party membership actively respond to the plenary session's call, closely rally around the party central leadership with Comrade Jiang Zemin as the core, and lead the masses to work with one heart and one mind, we shall certainly be able to push the rural work in all fields to a new stage and create a new situation in agricultural and rural work.

Commentator on Courage, Ingenuity in Reform

OW2812225491 Shanghai JIEFANG RIBAO in Chinese
21 Dec 91 p 1

["Commentator's article: More on Reform Which Requires Courage and Resourcefulness"]

[Text] A hundred days ago, the annexation of a large state-run enterprise by a school-owned small factory in Hangzhou became a major news item in both eastern China and throughout the country. The case of "a small

fish eating a big fish" aroused excitement and gave cause for worry. Could "a small fish" eat "a big fish?" Would it be weighted down and dragged to its death by "a big fish?" People have been waiting to see the outcome. Now, after a hundred days, what is the result? Today our paper carries a newsletter entitled "A Hundred Days of Annexation" which vividly demonstrates how the "Wahaha" group in Hangzhou completed the process of changing mechanism with the Hangzhou Cannery—which was on the brink of collapse—and which declares that the annexation has been a success after withstanding the pangs.

Why did "a small fish" eat "a big fish?" The facts of "a hundred days of annexation" show that the emergence of this phenomenon reveals the economic structure of our country is undergoing a deep level of development. Through readjustment of enterprises' organizational structure, internal operating mechanism, and production and product structure, its aim is to optimize the setup with the existing key elements of production to create a new productive force in a rational course of mobility and reorganization. In the process of annexation and bankruptcy, one of the key links lies in initiating rationalization of organizational structure among enterprises. Without the determination of "a warrior amputating his arm," the irrational industrial structure is hardly changeable; and without the competing mechanism characterized by the survival of the fittest, it is hardly possible to reverse the extensively low efficiency, let alone the optimization and regrouping of the key production elements, as well as the concentration of superiority. Some people have expressed anxiety that with the annexation of such a big cannery in Hangzhou by a such a "small" enterprise as the "Wahaha"—which is owned by the people—would it not undo the large enterprise? In effect, whatever should survive will survive, and whatever should perish will perish, and this is precisely the law for invigorating large enterprises. As a matter of fact, it is annexation by the "Wahaha" that has revived a dying large and medium-sized enterprise, and this by itself is a dialectical case of "invigoration." Needless to say, compared to relinquishing power and conceding interest as well as contract operation, the risk of bankruptcy involved in annexation would be far greater and the repercussion brought about to cadres, workers, and staff members would be more drastic. Nevertheless, this kind of risk incurred in deepening reform is bearable. Is the success of "a hundred days of annexation" not convincing proof?

How did the "small fish" eat the "big fish"? The key to "Wahaha's" success in annexing the Hangzhou Canned Food Factory lies in its practice of making policy decisions according to the laws of the socialist commodity economy. Whoever enjoys primacy in operational mechanisms, products, market share, and funding is the annexer. Here an enterprise's ranking, size, and work force do not determine who is the annexer. The selection is accomplished by the rules of competition whereby the superior eliminate the inferior. As far as annexation is

the socialized service system and perfect the dual-level management system, we aim to strengthen and bring into better play the role of unified management, and inject new vitality and vigor into the contracted household responsibility system with remuneration linked to output. By so doing, we do not intend to weaken the autonomy of individual households, still less cancel the level of household management.

Undoubtedly, we do not mean that the contracted household responsibility system with remuneration linked to output is the acme of perfection, and we should notice that some prompt improvement should be made in certain fields. As a result of the inflexible unified management before the 1980's, a situation did emerge at the beginning of the "overall contracting campaign," wherein people only paid attention to "separate management" to the neglect of "unified management." With the implementation of the contracted household responsibility system with remuneration linked to output, there are indeed many things, during the process of promoting overall socialized production, which cannot be accomplished or fulfilled satisfactorily by individual households. For example, individual households are unable to harness river valleys, build water conservancy works, repair bridges and highways, or carry out large-scale afforestation campaigns; nor can they breed fine varieties, or spread the use of tractor-sloughing, irrigation and drainage, crop protection, and the processing and circulation of agricultural products. Even if they can manage to cope with the aforementioned phenomena, individual households have to go to a lot of trouble at high cost. However, with collectives, such things can be efficiently accomplished at low cost. Precisely because of this, economic organizations have emerged throughout the country over the past several years, which can provide various services to hundreds of thousands of households. Some are run by state economic and technological departments, some by collective economic organizations, and others by various social sectors; these organizations have attained a fairly rapid growth. Particularly in areas where the collective economy is more advanced, such organizations have developed from providing single service to serialized services before, during, and after production. Socialized services have linked together hundreds of millions of separated small-scale productions, integrated the enthusiasm of household management with the superiority of collective unified management, further liberated the productive forces, accelerated the development of agriculture, and enjoyed popular support of the vast numbers of peasants. Success in this field will be beneficial to the perfection of the contracted household responsibility system with remuneration linked to output, to the establishment and improvement of the dual-level management system, to the reinforcement of the collective economy, and to the development of the commodity economy. Such socialized services can remedy defects of small-scale individual production and help organize rural households to develop specialized and socialized production. This is also a highly efficient scale management. I would like to

stress here that socialized services should aim at bringing about fine quality, high yield, and good efficiency to agricultural production, and should not only emphasize output to the neglect of quality, or only emphasize speed to the neglect of efficiency, because this does not tally with the concept of the commodity economy. Nowadays, with constant improvement in their living standards, our people are demanding better food, clothing, and daily necessities on the basis of having enough to eat and wear. People are willing to spend more on agricultural products with better quality, while products with inferior quality are unmarketable even when sold at very low prices. The socialized service system should provide peasants with improved varieties; guide them to optimize their production structure; make a success of the processing, transportation, and sales of agricultural products; enhance the utilization and output rates of land, as well as the commercialization, transformation, and foreign exchange-earning rates of agricultural products; increase additional value at many levels; and bring agriculture onto the track of fine quality, high yield, and good efficiency. It seems that it is of multi-sided significance to develop socialized services. Because socialized services are a field in which we can make great accomplishments in the 1990's, we should devote our major energy and strength in this field in real terms. This is a long-term task which requires close attention; however, we should refrain from being overanxious for success, but carry out the task in a planned way step by step. In developing rural socialized services, we should observe the following principle: Do not contract anything which can be managed well by individual households; and local collectives and governments should only engage themselves in things which cannot be accomplished at all or managed well by individual rural households in light with actual conditions. By so doing, we aim to, with several years of painstaking efforts, gradually set up a fairly complete socialized service network in rural areas. At the present stage, a major task for governments and relevant departments at all levels is to try their utmost to create some external conditions for localities to develop their rural socialized service systems in line with local conditions. The two documents recently issued by the State Council respectively on strengthening the building of rural socialized service system and activating circulation of agricultural products are of immediate guiding significance.

Because the collective economy constitutes an important part of China's socialist construction, we should, undoubtedly, regard it as our strategic goal to develop the socialist collective economy in rural areas and guide the vast numbers of peasants onto the road of common prosperity. However, in our practical work, we should pay attention to two things: One is that we should not act with undue haste. The development of the collective economy is a process which advances gradually in due order and develops from small to large and from weak to strong; therefore, it is impossible to be fulfilled overnight. The other thing is to determine a correct approach. To develop the collective economy, we should

set our sights on promoting township and town enterprises; exploring new agricultural resources; opening up new sources of production; and obtaining retention and contract charges in accordance with contract stipulations. We should not always set our sights on the several mu of land contracted by peasants, try to get something out of peasants, or resume old practices such as "equalitarian treatment of collectives regardless of their performances" and "indiscriminate transfer of resources between collectives." In China, where we have more people than land, if we only set our sights on a few mu of land, we can hardly develop a collective economy with real strength and vitality; instead, we will find ourselves frequently involved in contradictions with peasants. Such a narrow-minded view and practice has very limited prospects. At present, there are broad prospects in developing the range and quality of agriculture, while great accomplishments can also be achieved in various nonagricultural industries in rural areas. Besides the large increases in the outputs of agricultural products, such as grain, cotton, and oil, the sudden flourishing of township and town enterprises also forms a major basis for us when we say that the rural reform in the 1980's greatly enhanced the real strength of China's rural collective economy. Growing out of nothing and developing from small to large, township and town enterprises have rapidly become a vital new force in China's socialist economy. Under such circumstances, we should devote great efforts in agricultural exploration and the processing of agricultural products; continue to promote township and town enterprises with an aim to provide supporting services to major industries; and develop tertiary industries in rural areas. Practice has shown clearly that in localities where the collective economy is more advanced and peasants are relatively well-off, instead of relying on the several mu of contracted land, peasants have attained further development mainly through opening up new and efficient sources of production, such as agricultural exploration, township and town enterprises, and tertiary industries.

3. Unremittingly developing township and town enterprises is the only way for us to give peasants a fairly comfortable life, modernize agriculture, and industrialize our rural areas.

Developing township and town enterprises is a strategic policy decision made by the party Central Committee in light of China's national condition, and also an important component of the building of socialism with Chinese characteristics. Everyone has had a clear understanding of the roles and importance of township and town enterprises. Nowadays, township and town enterprises have become a major pillar in rural economic development, an important component of industry, a main supplier of market commodities, a major source of financial revenue and foreign exchange income, and an irreplaceable part of the national economy. From a long-term point of view, township and town enterprises are of profound and far-reaching significance in our efforts to raise peasants' income, cause the rural

economy to flourish, attain the goal of giving our people a fairly comfortable life, realize modernization in agriculture, step up the process of national industrialization, and narrow the gaps between urban and rural areas and between workers and peasants. While trying to activate state-owned large and medium enterprises, we should adopt positive measures to grasp township and town enterprises unremittingly and well without vacillating under any circumstances. In addition, we should also ensure that township and town enterprises can develop at a certain rate.

Since the Third Plenary Session of the 11th CPC Central Committee, the party Central Committee and State Council have worked out clear policies on developing township and town enterprises, and have been proved correct by practice. However, there are always some comments which have hindered the development of township and town enterprises by varying degrees. In spite of such comments, judging from the overall situation, township and town enterprises across the country have always maintained the momentum of upward development. The fundamental reason for the exuberant vitality of township and town enterprises is that developing township and town enterprises is the need of socialist construction and the people's livelihood, a mass undertaking, and the only way for the vast numbers of peasants to extricate themselves from poverty and head toward "a fairly comfortable life."

Everyone knows clearly that one of China's national conditions is its large population. Among 1.1 billion population, 900 million are rural residents, and the per capita farm land of a little more than one mu cannot accommodate such a huge labor force. Currently, every rural labor unit occupies only three to four mu of farm land; with the addition of multiple-crop index, every labor unit occupies only a little more than five mu of sown area. In many localities, rural laborers remain idle for half a year, some even for over 200 days. Without work and income, some of them stir up troubles while others flow to other parts of the country. By the end of this century, the total number of surplus laborers in rural areas is estimated to reach some 150 million, equalling China's total number of workers and staff in urban areas. Can we cope with such a huge force without providing them with proper opportunities to earn a living? Can they all crowd into big cities? This is a practical problem. What shall we do? A major solution to this problem is to develop township and town enterprises. At present, a number of localities where township and town enterprises are more advanced have attracted not only all surplus laborers in their own areas, but also those from other counties, prefectures, and provinces. Therefore, it is foreseeable that township and town enterprises will be a major—and a most fundamental—channel for attracting rural surplus laborers.

Practice has proven that with well-developed township and town enterprises, we can stabilize agriculture, increase employment in rural areas, and enhance the income of peasants. To solve the problem that output

concerned, some comrades find the concept of a "big fish" eating a "small fish" acceptable. However, they cannot accept the opposite. In commodity economic parlance we refer to an enterprise as "big" or "small" in relative terms. The important thing is what yardstick we use in assessing and guiding enterprises. Was not "Wahaha"—with its huge market share, adequate funds, and powerful operational mechanisms—a big "live fish"? Cases like that of a "small fish" eating a "big fish" are, in fact, instances of a "live fish" eating a "dead fish." This is precisely the root cause of success in this annexation. "A hundred days of annexation" is essentially a process of changing operational mechanisms in accordance with the needs of the socialist commodity economy. In just 100 days the "iron chairs" of cadres were taken away and the "iron rice bowls" of workers and staff members were smashed. The closed, rigid mode of production was changed to market-oriented, commodity-based operational mechanisms. The label indicating losses of many years was gone overnight, having being tossed into the Xi Hu river. The change of operational mechanisms has given full play to worker potential and has rejuvenated a large-to-medium-scale enterprise. In this connection, the inspiration provided by "a hundred days of annexation" can prompt more entrepreneurs to adopt new ways of thinking.

In a broader sense, "Wahaha's" successful annexation of the Hangzhou Canned Food Factory does not simply encourage other enterprises to promote the "Wahaha" model. Instead it indicates that "Wahaha," as a pioneer and innovator, embodies the spirit of taking bold exploratory and ground-breaking actions. It also illustrates courage and resourcefulness in reform as a result of seeking truth from facts and of emancipating the mind. Efforts to improve state-run large and medium-scale enterprises constitute the centerpiece of our country's economic reform. The direction is clear because the party Central Committee and the State Council have formulated general principles in this respect. Nevertheless, there are no cut-and-dried experiences or universally applicable models to teach us how to improve and invigorate those enterprises. We must fully arouse the initiative and creativity of enterprises, the people, and the government; innovate in the course of practice; and advance amid explorations. Pilot projects to improve state-run large and medium-scale enterprises have now been launched in Shanghai. Some enterprises are experimenting with the conversion of operational mechanisms, while others are seeking ways to liberalize operations. Some are experimenting with the means of separating profits from taxes, of repaying debts before taxes, and of delivering profits after taxes, while others are beginning to implement a comprehensive labor contract system. The rest are either experimenting with the share-holding system or trying to reform the labor and management system by first reforming the job contract system.... This practice of letting a hundred flowers bloom and of encouraging myriad systems is in total accord with the development pattern in which reform opens up new paths in the course of practice.

When we say that we should have courage and resourcefulness and should advocate the exploratory spirit in reform, we mean that we should have the courage to blaze a new trail for reform in accordance with the ideological line of emancipating the mind, seeking truth from facts, and considering reality in all operations. Reform is a creative undertaking being carried on by millions of people. If the mind is not emancipated, many things will be subject to restrictions and the masses' creativity will be repressed. How to efficiently run large and medium-scale state-owned enterprises is a question which can be explored and studied only by their own leaders, staff members, and workers. We must not be over-anxious to name a child before it is born and before we know whether it is a boy or girl. In this sense, the exploratory spirit displayed by "Wahaha" is very much worth advocating.

The successful annexation of the Hangzhou Cannery by "Wahaha" was inseparable from the participation and support of the leading organs of Hangzhou City. Some people describe the participation as an administrative intervention. Indeed it was. We do not invariably oppose all administrative intervention. We oppose only the "administrative intervention" that violates objective law. In fact, our reform itself is proceeding under the forceful push and leadership of the party and the government. The deepening of reform will encounter more difficulties and greater resistance, and it will be hard to achieve without government participation and support. Our governments at various levels should be a strong propelling force for reform. Government departments at all levels should have courage and resourcefulness, should dare to take up responsibility, and should boldly explore the way for the government to participate in reform. So long as our intervention conforms to the law of socialist commodity economy, do not be afraid of the criticism of "administrative intervention." Precisely, we should fully use government authority and our political superiority to support and guide the deepening of reform. How to rationalize and standardize government behavior under the conditions of the socialist commodity economy is a new question which governments at all levels must constantly explore and use their creativity to solve.

The repercussion to society caused by "a hundred days of annexation" is profound, and there are still debates between differing opinions. This is normal. What is important is that the courage and resourcefulness of "a hundred days of annexation" has created meaningful thinking for deepening reform as well as for inspiring us to further emancipate our mind, boldly explore, and push reform forward.

Foreigners 'Scrambling' for China-listed Stocks

HK2912035791 Hong Kong SOUTH CHINA SUNDAY MORNING POST (MONEY) in English 29 Dec 91 p 3

[By Erik Guyot]

[Text] The fledgling foreign investment market in the Shenzhen stock exchange has taken off with a vengeance, with Hong Kong investors scrambling to buy so-called B shares in China-listed stocks.

"I get on average half a dozen calls a day," said one merchant banker involved in underwriting B shares. "Individuals say they have one million dollars or half a million dollars and want to put the money in B shares, any B shares."

Hong Kong merchant bankers have been racing to be the first to underwrite Shenzhen B shares since August when the People's Bank announced that it would permit foreign investment.

Staff at Hoare Govett worked through the holiday season to beat the pack, announcing on Christmas eve that the \$84.8 million issue of China Southern Glass B shares was oversubscribed by Hong Kong and international investors. China Southern Glass B shares are expected to start trading in February.

The Hong Kong Stock Exchange is now in the midst of discussions with industry specialists to examine how China B shares might eventually be listed locally.

Mr Victor Chu, a member of the stock exchange's China study group who has been deeply involved in the discussions, said the stock exchange authorities would "bend over backwards" to accommodate Chinese B shares. "There won't be a China board per se. There will be special rules to cater to Chinese companies."

But some say the rush to buy B shares has been too fast. Mr Francis Leung Pak-to, managing director of Peregrine Capital, pointed out that Shenzhen authorities had only recently issued regulations and that major accounting and legal discrepancies with international exchanges still had to be sorted out.

At present, only six stocks are traded on the Shenzhen Stock Exchange.

On November 18, the Shenzhen Stock Exchange held a signing ceremony in which 10 companies agreed to issue A shares for local Chinese investors and B shares for foreign investors.

The companies were divided into two batches. The first are China Southern Glass, Shenzhen Konka, China Bicycle and Shenzhen Wuye Development, which had previously issued A shares.

The remaining six companies are expected to announce underwriting arrangements soon. They included China Bicycle, electronics manufacturer Shenzhen Huafa, food producer Shenzhen Zhong Chu, soft drinks company Shenbao, Shenzhen Canning and Hong Hua, a textile and property company.

The six companies are expected to list on the exchange in mid-February or March at the latest.

As the first Shenzhen B share, China Southern Glass has attracted particular interest. Its issue of 16 million B shares at \$5.30 a share was heavily oversubscribed, according to Hoare Govett.

Its total value of \$84.8 million made it smaller than the average new company listed on the HKSE [Hong Kong Stock Exchange] this year.

The company expects net profits to grow by 35 percent to Rmb [Renminbi] 20.5 million this year. Its 1992 profit forecast was revised upwards after its books were audited by an international accounting firm.

However, analysts warned that the quality of some of the companies in the second batch was not up to the standard of the first group.

'Round-up' on Reform, Shanghai Development

OW3012024391 Beijing XINHUA in English
0210 GMT 30 Dec 91

["Round-up": "Marketing Reform Promotes Development of Shanghai"]

[Text] Shanghai, December 30 (XINHUA)—Shanghai, China's leading metropolis, has done much this year in improving its marketing system which has enhanced economic activities and facilitated people's life.

What impresses Shanghai citizens most may be that they now buy half of the non-staple foods they need from free markets instead of state-run groceries. Statistics show that the retail sales volume of free markets, which devote to the supply of vegetables and other non-staple foods as well as daily commodities mostly produced by rural enterprises, has accounted for 7 percent of the city's total.

Since last November, the city's vegetable production and prices have been put to market regulation, ending the 42-year history of a state monopoly for the purchase and marketing of vegetables in the city.

People here are happy to find that the prices of vegetables are fluctuating much less than they expected, while the varieties of vegetables have greatly increased, and their quality improved.

Another change the citizens may easily have noticed concerns the price cards. Years ago China adopted three kinds of prices: State set prices written on red cards, state guided prices on yellow cards, and market prices on blue. Now the blue price cards are most frequently seen.

Statistics show that only 30 percent of the manufactured goods for daily use are sold by state set prices, while half of them are by market prices. But 10 years ago, the ratio of such products sold by state set prices to those by market prices was 97:3.

At present only 47 kinds of such products are sold by state set prices. Local officials said that the variety of such products sold by state set prices will be cut down to 20 in 1992.

The decreasing of products sold by state set prices has changed the function of the city's commercial department, said Zhang Junjie, an official in charge of municipal commerce.

In the state monopoly period, the commerce department was busy making arrangements for what was short in the market. Now its main task is to guide the market.

To fit in with the development of the marketing system, state-run commercial businesses, which are facing challenges from other kinds of commercial businesses, have to improve their management, concerned officials said.

Now a number of commercial businesses have developed partnership with manufacturing enterprises, both in and outside the city. And some of the commercial businesses have combined to set up commercial groups.

So far 18 of the city's manufacturing enterprises, including those producing family electrical appliances, sewing machines, thermos bottles, and building equipment, have developed partnerships with six wholesale businesses dealing with articles of daily use and those for recreation, family electrical appliances, and textile products.

It is estimated that the above mentioned products purchased this year will double the figure of last year.

While improving the city's market mechanism, Shanghai is ready to open its market to other regions in China.

People here noticed that the municipal government has declared several times this year that it will make the city the largest domestic trading center of the country by the end of this century.

Earlier this year, Shanghai succeeded in hosting two trade fairs—the Shanghai Trade Fair and the China Electric Products Trade Fair.

And last month the Ministry of Commerce announced that Shanghai city and the ministry will jointly host the largest annual domestic trade fair beginning in 1992.

Observers said that this showed the support from the central government.

Moreover, according to concerned officials, the Pudong Cereals and Oils Wholesale Market (PCOWM), currently under construction, located in the Pudong New Development Zone in the eastern part of the city, is expected to be a major state market engaged in futures goods trading.

The PCOWM will also be a bridge to the world market, the local officials said.

Economic Newspapers To Increase Size, Issues

*OW0201071992 Beijing XINHUA in English
0640 GMT 2 Jan 92*

[Text] Guangzhou, January 2 (XINHUA)—A large number of economic information newspapers in the country will increase in size or in frequency released this year. [sentence as received]

According to a seminar on economic information newspapers which was held in Guangzhou recently, more than 130 kinds of economic information newspapers have been published in China during the past 10 years.

According to the seminar, these newspapers have provided readers and business enterprises with a vast amount of economic, scientific and technological information and have played an important role in the country's economic construction.

East Region

Anhui Province Exports Increase 7.7 Percent

OW0801022792 Beijing XINHUA in English
0139 GMT 8 Jan 92

[Text] Hefei, January 8 (XINHUA)—The total export value of east China's Anhui Province topped 700 million U.S. dollars last year, a 7.7 percent increase over 1990.

As a result of the economic reform and opening to the outside world in recent years, the province, one of China's mainly agricultural centers, has made great efforts to develop its international markets and trade relations with foreign countries.

At the same time, the province has also paid attention to attracting foreign investment. Statistics show that in 1991 Anhui approved the setting up of 113 foreign enterprises involving a total investment of 56.22 million U.S. dollars, respectively two times and four times more than 1990.

Of these foreign-funded enterprises, seven have invested with more than one million U.S. dollars each.

In the meantime, the total import value reached 69.57 million U.S. dollars, a 84.7 percent increase over the same period of 1990.

The provincial government also expanded the import of advanced technology. according to local statistics, last year Anhui signed 94 contracts with total value of 52.76 million U.S. dollars in the sector, about 70 percent more than the annual target and 19.07 million U.S. dollars more than in 1990.

Xiamen's Importation of Foreign Capital Viewed

HK0701151092 Fuzhou FUJIAN RIBAO in Chinese
4 Dec 91 p 1

[By staff reporter Cai Yuqiang (5591 5148 1730): "Xiamen Special Economic Zone Makes New Breakthrough in Importation of Foreign Capital"]

[Text] Exhilarating news from the Xiamen Special Economic Zone [SEZ]: Since 1991, the Xiamen Special Economic Zone has made new breakthroughs in the importation of foreign capital, making this year the best in the SEZ's 10-year history. From January to November, a total of 190 foreign investment projects were approved with total investments of \$556.5 million, including foreign investments of \$496.5 million. The total investments in projects and investments by foreign businessmen were \$7.8 million and \$11 million higher than last year's total amounts, respectively. So far, the Xiamen SEZ has approved a total of 1,170 foreign investments projects and total investments of \$3.4825 billion, including foreign investments of \$2.6175 billion, in its 10 years of existence. Nearly 700 foreign-invested enterprises have since been put into operation and opened for business.

Another new gain in the Xiamen SEZ's efforts to import foreign capital is in the initial results obtained in the readjustment of the industrial structure, predominance of industrial items, and the increase in technological projects. Among the 190 projects approved, industrial production items predominated, while items involving a higher technological level also rose dramatically, accounting for more than 30 percent of all items or an increase of 15 percentage points over that of last year.

The principal factors behind the breakthroughs in the Xiamen SEZ's importation of foreign capital are as follows:

The building of industrial zone and of infrastructure facilities was accelerated to improve the "harsh" climate. Construction of the Tianan Industrial Zone in Huli, the Torch High-Tech Development Zone, and the Taiwan businessmen's investment zones in Haicang and Xinglin was stepped up, while clearing of land and building of factory buildings and supplementary facilities were launched in full, to ease the shortage of land and factory buildings available to foreign businessmen. At the same time, phase two of the Dongdu port project proceeded smoothly, while the phase three project was launched earlier than planned. The expansion of the airport; completion of the Xiamen Bridge; and the improvement of water, electricity, and telecommunications facilities also contributed to greater interest for investments in the Xiamen SEZ by foreign businessmen.

A new process was established to examine and approve projects, simplifying procedures and raising work efficiency. Since 1991, Xiamen city has reorganized its leading group on foreign capital affairs and stepped up direction, coordination, supervision, and inspection on the importation of foreign capital. It also set up a commission on foreign investments and introduced a new examination and approval procedure where all foreign-related business was conducted in one building and one counter. Today, projects which do not involve the use of land would normally take just 10 days, and even as little as three days, from submission of the application to receipt of the approval certificate.

Complaints by foreign businessmen are seriously dealt with to resolve their dilemmas. Some 46 complaints have been resolved in just 10 months' time. For instance, in the case of the delay in the arrival of necessary facilities at the Taiwan Shanzhuang, and its effect on the start of the project, dozens of interdepartmental consultations were held in order to resolve the problems in the provision of water, electricity, and drainage, and the transfer of underground cable. The most frequent complaints of foreign businessmen, concerning difficulty in cargo transport and in excessive controls, were gradually resolved as unhealthy practices in the trades were dealt with.

The past practice of "waiting for foreign capital to come in" was done away with and replaced by active solicitation of foreign business outside the territory which, in

turn, improved import results. Starting in March, the city government organized three delegations which went to Hong Kong and Italy to promote business opportunities in the city. These delegations not only widened the foreign influences of the Xiamen SEZ but also brought in many projects. Different counties and districts also organized delegations to attract business from Hong Kong with remarkable results.

Naturally, we should also recognize that there is still room for improvement in the investment climate of the Xiamen SEZ. Some existing problems include: As the process for examination and approval of projects is still in a "transition" period, and there is still a lack of experience, the links need to be simplified even further; foreign-related service departments suffer from inconsistent work attitude and poor level of service; transportation and transport, particularly maritime transport capability and port servicing, should be improved and upgraded. At present, Xiamen city is taking advantage of the 10th anniversary celebration of its SEZ to sum up its experience, explore its flaws, and adopt measures to resolve its problems, in order to create a better investment climate for foreign businessmen and bolster the Xiamen SEZ's efforts to import foreign capital.

Shen Daren, Leaders Attend New Year's Reception

OW0301094692 Nanjing Jiangsu People's Radio Network in Mandarin 1015 GMT 31 Dec 92

[From the "News" program]

[Text] This afternoon, strains of music resounded through the heavily decorated Nanjing Great Hall of the People as the authorities of Jiangsu Province and Nanjing held a grand get-together for servicemen and civilians to ring in the new year.

Over 3,000 people attended the get-together. They included Jiang Weiqing, Du Ping, Fu Kuiqing, Zhang Ming, and other members of the Central Advisory Commission in Nanjing, the Standing Committee of the National People's Congress, and the central Discipline Inspection Commission. Also in attendance were Gu Hui, Shi Yuxiao, Guo Xizhang, Jiang Yutian, Wang Yongming, Pei Jiuzhou, Zhang Zongde, Lan Baojing, Wang Tailan, Jia Qiyu, Song Shuanglai, Li Jingwen, Kang Fuquan, Miao Guoliang, Sui Shengwu, Shi Shuizhou, (Qu Yichang), Zhang Zhaoxun, Wei Changan, (Zhang Haixian), (Xu Zhiti), (Xia Daishou), (Yang Zhucheng), (Yang Jiuping), Zhu Jing, Zhu Yaorong, and (Wang Xiyu), who are responsible comrades from the Nanjing Military Region, Air Force units in the military region, the provincial military district, and military academies in Nanjing.

Other guests included leading comrades from Jiangsu Province and Nanjing, such as Shen Daren, Chen Huanyou, Cao Keming, Han Peixin, Sun Han, Zhou Ze, Hu Fuming, Fu Hao, Li Zhizhong, Xing Bai, Zhang Yaohua, Tang Nianci, Ling Qihong, Wu Xijun, Dai Shunzhi, Luo Yunlai, Zhang Chenhuan, Peng Sixun, Xu Yingrui,

(Peng Fu), (Liu Ping), Fang Ming, and (Pan Hantao). Also in attendance were veteran military and local comrades (Chu Jiang), (Feng Meizhen), (He Binhao), (Wang Jingqun), (Hua Chengyi), (Zhu Hui), Deng Haoming, Gao Juefu, Cheng Bingwen, (Zhang Danan), (Zhang Yuhua), and (He Linzhao), as well as representatives from all walks of life in Jiangsu and Nanjing, including those from various democratic parties, the All-China Federation of Industry and Commerce, and other civic organizations.

Artists from the Jiangsu Song and Dance Theater, the Jiangsu Peking Opera Theater, the Wuxi Song and Dance Troupe, the Yangzhou Song and Dance Troupe, the Nantong Song and Dance Troupe, the Nanjing Primary School of Arts, and other cultural organizations staged brilliant performances at the get-together.

Before the performances, responsible comrades from military and local units gathered to have a cordial conversation. They emphasized the need to rally closely around the CPC Central Committee, with Comrade Jiang Zemin as the core; to uphold the four cardinal principles; and to persist in taking the socialist course in order to make greater achievements in 1992.

Shen Addresses Organizational Meeting

OW0301141792 Nanjing Jiangsu People's Radio Network in Mandarin 1015 GMT 3 Jan 92

[From the "News" program]

[Text] During 1992, comrades of organization departments in this province should seriously study and resolutely implement the guidelines of the central work conference and the Eighth Plenary Session of the 13th CPC Central Committee, closely center around the general demand set by the provincial party committee, firmly serve the central task of economic construction, do a good job in a creative manner, and provide effective organizational guarantees for realizing various tasks in Jiangsu Province this year.

The above remarks were made by Shen Daren, secretary of the provincial party committee, at the meeting of heads of organization departments of various city party committees of this province, which opened today.

Comrade Shen Daren said: We experienced the dual tests of a changeable international political situation and serious natural disasters at home in the past year. In the face of a complicated international situation and heavy tasks in this province, organization departments in this province have firmly implemented the party's basic line and provided an effective organizational guarantee for promoting reform and opening up to the outside world and economic construction.

He pointed out: In the new year, organization departments in this province have to shoulder very heavy tasks. Party committees and organization departments at various levels should tackle important issues, reasonably

make overall arrangements to greet the convocation of the 14th CPC National Congress, and do organizational work in a more solid and effective way this year. It is essential to organize carefully and meticulously the election of delegates from this province to attend the 14th CPC National Congress, and consider the election as a course of mobilizing the broad masses of party members to select outstanding party members, of carrying forward democracy within the party, and of conducting education on party spirit and observing democratic centralism. It is essential to continue building leading groups at various levels. The most important thing in building leading groups is to adhere to the policy of making the contingent of cadres more revolutionary, younger, better educated, and professionally more competent, and to promote cadres who have both ability and political integrity. In strengthening the building of leading groups, we also must pay attention to promoting good ideology and work style. On the basis of raising the theoretical level of Marxism of leading cadres, we should lay stress on being honest in performing official duties, improving work style, and promoting unity. We should strengthen party building at the grass-roots level. Party committees at various levels should place party building at the grass-roots level in their important daily agenda.

Comrade Shen Daren emphatically pointed out: Under the new situation, we should greatly raise the political and professional quality of cadres in charge of organizational work. In particular, we should attach importance to ideological building and improving work style and effectively improve work methods. Party committees at various levels must consider organization work as an important task, attach great importance to the work, and effectively strengthen leadership over organizational work.

(Xu Zhonglin), director of the Organization Department of the provincial party committee, transmitted the guidelines of the national conference of directors of organization departments and made an arrangement for this year's tasks of organizational work in this province.

Taking part in the meeting to hear reports were heads of organization departments of various city party committees, responsible comrades of various enterprises and undertakings in Nanjing in charge of organizational work, and responsible comrades of various schools of higher learning in charge of organizational work, totaling more than 500 people.

Chen Huanyou Discusses Economic Tasks at Plenum

OW0401140292 Nanjing Jiangsu People's Radio
Network in Mandarin 1015 GMT 4 Jan 92

[From the "News" program]

[Text] At the enlarged plenary meeting of the provincial people's government which opened today, Governor Chen Huanyou emphatically pointed out that it is essential to improve government work and to strive to build an honest government. He stressed the need to work

hard, simplify administration, and create a new situation in economic work by deepening reform, opening up to the outside world, readjusting structure, and raising economic efficiency.

Governor Chen Huanyou said: The year 1992 is important for transformation in economic development. We should soberly see that a number of complicated economic problems still have not been fundamentally solved, and that fighting off the effects of serious flood and water-logging disasters will take some time. Therefore, we must consolidate achievements in improving the economic environment, and rectifying the economic order and promote economic recovery. We should not only guard against rashness to prevent new overheating in economic development, but also guard against the sentiment of being afraid to tackle difficult problems and lacking confidence in development. We should firmly proceed from reality and make arrangements for implementing this year's plan in light of the 10-Year Program and the Eighth Five-Year Plan for national economic and social development.

He pointed out: It is essential to consider increasing economic efficiency as a truly central task. All economic work should center around this task to achieve effective results. It is essential to grasp two key subjects; namely, restoring and developing agricultural production and improving the work of large and medium-sized enterprises. This year, we should strive to restore agricultural production to normal levels. We should work hard to help 500,000 people improve their economic situation and raise their living standards above the poverty line. In improving large and medium-sized enterprises, we should improve the outside environment and carry out structural reform to strengthen their vitality. We should attach importance to scientific and technological progress, structural adjustment, and expansion of exports. We should firmly consider science and technology as primary productive forces and truly rely on scientific and technological progress and on raising the quality of workers in promoting economic construction. We should speed up the development of tertiary industry and promote the rationalization of economic structure. We should strive to expand foreign trade, raise the quality and grade of export commodities, and actively utilize foreign capital to set up a number of relatively large joint ventures, cooperative enterprises, and wholly foreign-owned enterprises which employ high technology.

He also called for achieving a breakthrough in activating circulation, promoting economic associations of various forms, breaking away from regional barriers and closed markets, and establishing unified markets [tong yi shi chang] which serve both urban and rural areas.

The meeting was presided over by Vice Governor Gao Dezheng. Comrades Ling Qihong, Wu Xijun, Ji Yunshi, and Dai Shunzhi attended the meeting.

Jiangsu Industry Recovers After Summer Floods

OW0401094192 Beijing XINHUA in English
0839 GMT 4 Jan 92

[Text] Nanjing, January 4 (XINHUA)—Industrial production in east China's Jiangsu Province has recovered to the level before the disastrous floods struck this summer.

Recent statistics show that the industrial output volume, including that of the rural enterprises, last year increased by 12 percent each month—except for the month of July.

From January to November last year, the output value totalled 235.521 billion yuan, a 6.6 percent increase over the same period of 1990.

At the same time, the rate of production and marketing rose steadily, the stockpiles of finished products and debts shrank, while circulation funds and total profits increased.

Last summer floods caused Jiangsu Province losses of more than six billion yuan.

Wu Guanzheng Discusses 1992 Work Arrangements

HK0701143692 Nanchang Jiangxi People's Radio
Network in Mandarin 1100 GMT 27 Dec 91

[Excerpts] A timely snowfall is ushering in the new year. At a time when the new is replacing the old, the provincial people's government held a plenary session this morning focusing on arrangements for next year's work.

Governor Wu Guanzheng delivered a speech at the meeting. He expressed his hope that the people of the whole province can, in the new year, inspire their vigor; work hard; strive to make greater accomplishments in deepening reform and expanding opening up, in attaining technological progress and improving quality of laborers, and in readjusting structure and enhancing economic efficiency; and greet the convocation of the party's 14th national congress with brilliant achievements.

In his speech, Wu Guanzheng made a brief review of 1991. He said: This year is the first in our efforts to fulfill the the Eighth Five-Year Plan. We have made a good start. With the concerted efforts of all the people of the province, remarkable results have been achieved across Jiangxi in economic improvement and rectification, and in deepening reform; the entire economic situation continues to take a turn for the better; and various development tasks set forward at the beginning of this year can be fulfilled and overfulfilled. On the whole, like the entire country, Jiangxi has basically attained the goal of economic improvement and rectification, put inflation under effective control, enabled the economic order to continue to take a turn for the better, and brought the entire national economy onto the track of normal development.

When talking about the favorable turn in things, Wu Guanzheng said: We collected a comprehensive harvest in this year of severe droughts, and various targets of

agricultural production set by the provincial party committee at the beginning of this year have been fulfilled. We have fulfilled the grain production target; achieved breakthroughs in the cultivation of cash crops; maintained good momentum in developing township and town enterprises as well as rural enterprises; achieved evident results in the third battle of the general campaign of agricultural exploration; attained rapid progress in harnessing mountains and rivers, and in afforestation; and consolidated the position of agriculture as the basis for economic development. With an aim to readjust the industrial structure, we have made great efforts to create a sound external environment for state-owned large and medium-sized enterprises, carry out technical renovation, reduce overstocked goods, turn deficits into profits, and improve internal reform and management of enterprises. Since we experimented with readjusting the industrial structure, appropriate growth has been registered in industrial production; industries owned by the whole people and state-owned large and medium-sized enterprises are rebounding at a faster pace; and economic efficiency has taken a turn for the better. Key construction projects have made smooth progress, and a number of new production forces have taken shape. [passage omitted]

In his speech, Wu Guanzheng also analyzed problems existing in current economic operation, such as poor economic efficiency, uneven circulation, and slow pace of economic restructuring. [passage omitted]

When discussing preliminary arrangements for next year's work, Wu Guanzheng pointed out: In the new year, we should uphold the basic line of "one center, two basic points" in carrying out economic work and various other tasks; and take the road of building socialism with Chinese characteristics. Taking the 10-Year Program and the Eighth Five-Year Plan, Comrade Jiang Zemin's 1 July speech, Comrade Li Peng's speech at the 12th Plenary Session of the State Council, and the spirit of the recent central work conference and the Eighth Plenary Session of the 13th CPC Central Committee as guidance, we should intensify reform; push forward opening up; consolidate and develop results achieved in economic improvement and rectification; maintain a continued balance between total demand and supply in the national economy; rely on scientific and technological progress; shift the focus of our economic work on structural readjustment and enhancement of economic efficiency; act according to our real ability and try our utmost; and bring about a sustained, stable, and well-coordinated development to the national economy, as well as progress to all social undertakings.

The preliminary goals for next year's national economic development are as follows: The GNP [gross national product] should grow by 6 percent; total industrial and agricultural output values should increase by 6.5 percent, while efforts will be made to strive for an 8-percent increase; financial revenue should rise by 5 percent, while efforts will be made to strive for another 8-percent increase; foreign exchange earned through exports

should grow by 13.3 percent, while efforts will be made to surpass this target; the growth margin of the general retail prices index of commodities should be kept under 6 percent; and all indicators of economic efficiency should attain remarkable progress.

Wu Ganzheng also set forward 10 major tasks and measures for the new year:

1. First priority should be given to agriculture in a down-to-earth manner; [passage omitted]
2. The second battle of the general campaign of readjusting and improving the industrial structure should be successful; and we should rely on scientific and technological progress to expedite technical renovation; [passage omitted]
3. Continued efforts should be made to strengthen the building of basic industries and facilities; including farming, water conservation, energy, and communications and transportation; [passage omitted]
4. It is necessary to widen channels of circulation and activate both domestic and foreign trade; [passage omitted]
5. Strides must be taken to open up more financial sources, strengthen tax collection and management, and increase financial revenue; [passage omitted]
6. Continued efforts should be made to deepen reform, with stress on activating state-owned large and medium-sized enterprises; [passage omitted]
7. Importance should be attached to development of science and technology as well as education, while earnest efforts should be taken to shift the focus of our economic development onto reliance of scientific and technological progress and enhancement of laborers' quality. [passage omitted]
8. Attention should be paid to family planning, with focus on rural areas. [passage omitted]
9. It is imperative to show concern for the livelihood of the masses and help them solve practical difficulties and problems; [passage omitted]
10. Efforts should be made to continuously reinforce the buildings of democracy and legal system, and impose proper control over public security. [passage omitted]

Wu Guanzheng emphasized that cadres at all levels, especially leading cadres, should serve the people heart and soul, exercise a clean administration, put an end to various unhealthy trends, and punish corrupt practices. [passage omitted]

Wu Guanzheng also urged all localities and departments to do a good job during this year's Spring Festival, support the Army and give preferential treatment to families of revolutionary servicemen and martyrs, show great concern for the livelihood of the masses, ensure ample supplies of commodities in the market, reinforce

control over public security, and vigorously carry out various kinds of healthy recreational activities. [passage omitted]

Vice Governor Su Shengyou officiated at the meeting. Also present were Vice Governors Sun Xiyue, Zhou Zhiping, and Shu Huiguo; Huang Zhiqian and Zhang Yunchun, assistants to the governor; Sun Ruilin, provincial government secretary general; and leaders in charge of all departments under the provincial government. [passage omitted]

Li Zemin Sets Goals for Rural Development

OW0501090492 Beijing XINHUA in English
0837 GMT 5 Jan 92

[Text] Hangzhou, January 5 (XINHUA)—East China's Zhejiang Province has worked out a new project to promote people's life in the rural areas in an effort to strengthen cultural and economic development in the countryside.

Li Zemin, secretary of the Zhejiang provincial committee of the Chinese Communist Party, set new goals for rural development by building up more well-off villages in the province by the year of 2000, on behalf of the provincial leading authorities at a recent committee meeting.

Last year, Zhejiang Province triumphed over serious flooding in its north and drought in the south. As a result, it achieved good harvests of grain, cotton, silk-worm cocoons, fruit and aquatic products.

The average per capita income of peasants reached 1,170 yuan in 1991, a 5.9 percent increase over that of 1990.

The provincial government has set standards of well-off villages including per capita income of farmers reaching about 2,000 yuan, and development of cultural, education, health care, transport and telecommunications as well as family control.

According to a survey made by the provincial agricultural departments, the province now has 5 percent of its villages having reached the standards. Experts predicted that by the end of this century, about 70 percent of Zhejiang's villages would reach the standards of well-off villages.

Welcomes Wu Bangguo

OW0701135492 Hangzhou Zhejiang People's Radio
Network in Mandarin 1000 GMT 7 Jan 92

[From the "Provincial News Hookup" program]

[Text] At the invitation of the Zhejiang CPC Committee and government, a delegation from Shanghai Municipality, led by Wu Bangguo, Shanghai CPC Committee secretary, and Mayor Huang Ju, arrived in Ningbo this afternoon. Li Zemin, secretary of the Zhejiang CPC

Committee, and Zhejiang Governor Ge Hongsheng cordially met with the delegation in Ningbo this afternoon. (Wong Lihua), deputy secretary general of the Zhejiang provincial government; (Xiang Bingyuan), secretary of the Ningbo CPC Committee; and (Chen Tonghai), acting mayor of Ningbo, greeted the delegation at Ningbo's (Lishe) Airport.

Relations between Zhejiang and Ningbo and Shanghai date back a long time; economic relations and cooperation between them have been very close. Historically, Ningbo has always been the rear hinterland for Shanghai's economic development, as well as an important market for Shanghai's industrial products. Setting their sights on the nation's modernization drive, the CPC Central Committee and the State Council made the strategic decision to develop Pudong. Pudong's development not only will benefit Shanghai but will also serve as an impetus for the development of the entire Changjiang Delta and the country as a whole. Ningbo, as a close neighbor of Shanghai, should endeavor to provide support services to Pudong's development and opening up and, at the same time, strive to accelerate its own economic development while serving Pudong.

At this afternoon's meeting, Li Zemin, on behalf of the Zhejiang CPC Committee and government as well as all people of Zhejiang, warmly welcomed the Shanghai delegation. Major leaders of Ningbo briefed the delegation on Ningbo's work in opening up and development and discussed with them how to strengthen economic cooperation between Ningbo and Shanghai.

Zhejiang Discipline Inspection Commission Meets

OW0101134592 Hangzhou Zhejiang People's Radio
Network in Mandarin 1000 GMT 29 Dec 91

[From the "Provincial News Hookup" program]

[Text] The Zhejiang CPC Committee's Discipline Inspection Commission held a plenary session on 28 December. Participants in the meeting seriously studied the important documents of the Eighth Plenary Session of the 13th CPC Central Committee and the sixth plenary session of the eighth Zhejiang provincial party committee. They also examined and approved a resolution on redoubling the party's discipline inspection efforts and on ensuring implementation of the guidelines of the Eighth Plenary Session of the 13th CPC Central Committee.

Liu Xirong, member of the provincial party committee's Standing Committee and secretary of the provincial Discipline Inspection Commission, chaired the meeting. Participants in the plenary session emphasized the significance of the CPC Central Committee's decision on further strengthening agriculture and rural work, adopted by the eighth plenary session of the CPC Central Committee, in guiding the construction of new socialist rural areas with Chinese characteristics. The sixth

enlarged plenary session of the eighth Zhejiang provincial party committee made overall plans for implementing the guidelines of the eighth plenary session of the CPC Central Committee by incorporating Zhejiang's reality. These plans are expected to play a major role in extensively promoting our province's agriculture and rural work.

Participants in the meeting expressed firm support for the decision of the eighth plenary session of the CPC Central Committee and the workplans of the sixth enlarged plenary session of the eighth Zhejiang provincial party committee. The provincial Discipline Inspection Commission's resolution notes: Discipline inspection commissions at all levels should intensify party discipline inspection work in the countryside and earnestly inspect the way party organizations and cadres at all levels implement the party's policies toward rural areas. Along with socialist ideological education in the countryside, they should strengthen relevant education on party conduct and discipline among party members in rural areas at all levels and through various channels. They should heighten the awareness of party cadres about enforcing discipline, maintaining the mass line, fostering moral integrity, and performing official duties diligently and honestly. They should also effectively solve such major problems as party members hosting lavish banquets, handing out gifts, and travelling at public expense. They should resolutely investigate and deal with breaches of discipline by party members, especially party cadres, in the countryside—such as bribery, embezzlement of public funds, gambling, violations of family planning policy, smuggling, and violations of socialist morals—as a way of tightening party discipline and purifying party ranks.

Participants in the plenary session also discussed the highlights of provincial discipline inspection work in 1992.

Central-South Region

Guangdong CPPCC Members Lauded for Activities

OW0601174992 Beijing XINHUA in English
1505 GMT 6 Jan 92

[Text] Guangzhou, January 6 (XINHUA)—Political consultation and democratic supervision by members of the Chinese People's Political Consultative Conference (CPPCC) in Southern China's Guangdong Province have been strengthened during 1991.

According to an official from the CPPCC Guangdong provincial committee, leading officials of the Guangdong provincial government and party committee have on many occasions sought advice from CPPCC members on important issues, such as the 10-year Development Program and the Eighth Five-Year Plan for the provincial economic and social development (1991-1995).

Since the Fourth Session of the Sixth CPPCC Guangdong Provincial Committee, according to the official,

256 of the 290 proposals put forward by members of non-communist parties and groups in Guangdong have been successfully dealt with.

In addition, some CPPCC members have been invited to participate in investigation groups organized by the provincial government. Their investigation tours have brought to the province a large number of useful suggestions.

Guangdong Seeks Diversified International Market

HK0701024492 Beijing ZHONGGUO XINWEN SHE
in English 1521 GMT 6 Jan 92

[Text] Guangzhou, January 6 (CNS)—Guangdong Province plans to make great efforts in opening up a diversified international market with Hong Kong and Macao as its most important trade partners, the newly-appointed director of the Guangdong Foreign Economic Relations and Trade Commission, Mr. Xui Dezhi, said today.

Speaking in an exclusive interview with this agency, Mr. Xu said that the province would explore a diversified international market based on strenuous development and consolidation of the Hong Kong and Macao markets. Guangdong has since last year boosted its trade links with some countries in Southeast Asia, the Middle East, Western Europe and Africa.

The import and export plans for this year are set for a rise of over ten percent over last year, higher than the planned growth of the economy in Guangdong, Mr. Xu said. The province has since 1986 been maintaining an annual gain of over 20 percent in export trade. As a change in the international situation took place last year, some countries with greater trade relations with China imposed high tariffs to import from China. In response, Guangdong has to adopt diversified market strategies to continue to enhance the trade value of its imports and exports.

Statistics Indicate Changes in Guangdong Economy

HK0301140292 Guangzhou NANFANG RIBAO
in Chinese 21 Dec 91 p 2

[By Li Qing (2621 3237), Ming Jin (6900 3160), and Yu Chao (5940 3390): "Four Major Changes in Guangdong's Economic Operation"]

[Text] According to the yearly comprehensive statistical data provided yesterday by the provincial Statistical Bureau, the following marked changes have occurred in this province's economic operation as compared with the situation in the previous two years:

—The general pattern of economic operation has changed from a capital-flow pattern to a demand-pull pattern. This was shown by the smaller growth rate of loans for working funds, especially loans for industry; the smaller curbing and constraining effects of the circulation link on economic growth; and the stronger pulling effects of demand derived from investment, consumption, and export increases. Between January

and November, the cumulative investment-generated demand directly raised the volume of retail sales by 4 percent, and the additional output value of export products raised the overall industrial growth rate by 7-8 percent.

—The constraining effects of the "bottleneck" in the economy began to decrease. Between January and November, because of drought, electric power production was down 26.6 percent as compared with the same period last year, and the power industry grew at almost the same rate as industry as a whole. Out of the 30 major raw material products, 25 recorded output increases, and 13 increased by a double-digit rate. The short supply of funds has changed from a gross quantitative shortage into a quota shortage. The turnover of goods and postal services in the whole province increased respectively by 24.9 percent and 52.9 percent.

—The declining tendency in industrial enterprises' economic results has been basically stopped. With the in-depth development of "Quality, Variety, and Efficiency Year" activities, the all-member labor productivity of industrial enterprises conducting independent accounting throughout the province was up 18.3 percent between January and November as compared with the same period last year. Production and marketing were basically balanced in the industrial enterprises included in the budget. The number of enterprises operating in the red and the amount of business losses decreased respectively by 11.6 and 20.3 percent. Sales taxes and profits increased respectively by 28.1 and 86.0 percent.

—Prices were basically stable; market orders improved; and consumption psychology was also stable. The general retail price index in this province was reduced further in the first five months of this year, after a 4.4-percent decrease was recorded last year. The price index rose slightly between June and November, but price increases over the whole year were rather moderate. In the field of circulation, efforts were made to strengthen market management, with stress being laid on banning the production and sale of counterfeit goods and inferior commodities. At the same time, continuous efforts were made to check irregular charges, levies, and fines. All this has achieved positive results. With the development of production, a richer variety of commodities was available to consumers, and supplies were adequate. As consumers became more selective, a buyer's market arose to a limited degree in some commodities.

This year there were also certain problems in this province's economic development. First, the circulation of funds was still not smooth enough. In some enterprises, too great an amount of working funds was tied up in manufactured goods; there remained many debt default cases; the banks could not ensure stable financial sources and could not make new loans according to the quotas assigned to them. All this caused unusual stagnation in

the circulation of funds. Second, overall economic efficiency was not high. This was mainly because some localities, some industries, and some industrial and commercial enterprises recorded lower profits or higher losses or turned over less financial contributions to the government. In addition, the quantitative structural adjustment still made slow progress, and unevenness remained in economic development between different localities. These problems reflect the weak planning function and the imperfect market function in the process of transition from the old structure to the new structure, and also reflect the deep-rooted contradictions in basic economic relations. They can be thoroughly solved only through further reforms.

Further Figures Reported

HK0201100592 Guangzhou NANFANG RIBAO
in Chinese 21 Dec 91 p 1

[By staff correspondents Li Qing (2621 3237), Chen Mingjin (7115 6900 3160), and staff reporter Luo Yuchao (5012 5940 3390): "Guangdong Province's National Economy Has Achieved Sustained Development This Year"]

[Text] The yearly comprehensive information of statistics and analysis provided yesterday by the provincial statistical bureau shows that since the beginning of this year, the national economy of our province has made sustained and stable development, an overall growth has been attained in the fields of production, construction, circulation, and consumption, the total supply and demand have on the whole maintained a balance, and a comparatively relaxed and stable climate has emerged for economic development, which has seldom been seen since the reform and opening up began. The principal economic targets of the year's economic and social development program endorsed by the provincial people's congress at the beginning of the year will be basically fulfilled or overfulfilled by the end of December. It is estimated that the gross domestic product for the year will be 168.9 billion yuan, and the gross personal income will be 129.3 billion yuan, respectively increasing by 13.5 and 13 percent over the previous year.

The year's estimated data on the principal targets of the national economy provided by the provincial statistical bureau indicate that although agricultural production in our province this year has been hit by drought and typhoon successively, still a relatively good harvest has been reaped. Apart from grain, which recorded a decrease of 0.8 percent, other principal agricultural and sideline products all registered increases in production and revenue. The total agricultural output value is expected to reach 61.9 billion yuan, an increase of 5 percent over the previous year. With regard to the province's industrial production, on the basis of fulfilling the year plan ahead of schedule at the end of November, the total industrial output value for the year will be 238.4 billion yuan (in terms of constant prices),

representing an increase of 25 percent. In the state investment in fixed assets, the proportion of investment for production purposes has risen, and investments in agriculture, energy, raw and semifinished material industry, transport, post and telecommunications, as well as in cultural, educational, scientific, and public health undertakings, have grown by large margins. The total volume of social commodity retail sales are expected to reach 85 billion yuan, up 16 percent, having returned to the level of a normal year. The overall price rise in retail sales has slowed down, increasing by approximately 1.5 percent over the previous year. The old and new structures in foreign trade have effected a smooth shift of tracks, with the total volume of export exceeding \$12 billion, a growth of over 13.6 percent. The actual utilization of foreign capital totalled \$2.4 billion, a growth of 18.6 percent. The bank deposits and loans throughout the province have increased by bigger margins, and the net withdrawal of cash from circulation has also increased. Thanks to steady sources of funds, a surplus of 16.7 billion yuan was gained after setting off loans from deposits at the end of November. The financial revenue and expenditure roughly strike a balance. The life of urban and rural residents has continued to improve. Per capita income as living expenses for urban and town residents is 2,562 yuan, and per capita net income of peasants is 1,125 yuan (according to new specifications), respectively increasing by 16.5 and 7.9 percent after allowing for price factors.

Shenzhen's Industrial Output Value Increases

OW0701174692 Beijing XINHUA in English
1614 GMT 7 Jan 92

[Text] Shenzhen, January 7 (XINHUA)—The total industrial output value in the Shenzhen Special Economic Zone in southern China reached 25.18 billion yuan (about 4.84 billion U.S. dollars) last year.

A spokesman of Shenzhen's Statistics Bureau said today that the city's financial revenue increased to 2.73 billion yuan (\$25 million U.S. dollars), an increase of nearly 30 percent.

Tax and profits provided by state-owned enterprises increased by 20 percent, while foreign-funded enterprises reported an average of 40 percent increase in tax and profits.

The spokesman said the industrial and trade tax in Shenzhen jumped by nearly 30 percent to 2.07 billion yuan from a year earlier.

During the first 11 months of 1991, Shenzhen exported 2.975 billion U.S. dollar worth of goods, up 20 percent.

Out of the 2.975 billion U.S. dollar worth of goods exported, 1.669 billion U.S. dollars came from foreign-funded enterprises.

The actual overseas investment used in Shenzhen, China's most prosperous special economic zone,

amounted to 453 million U.S. dollars during the first 11 months, up nearly 20 percent.

Deng Hongxun Addresses Discipline Inspection Units

HK0801072392 Haikou Hainan People's Radio Network in Mandarin 2300 GMT 28 Dec 91

[Excerpt] The two-day provincial meeting to commend outstanding discipline inspection units and cadres ended at the provincial party committee auditorium today.

A total of 28 discipline inspection units and 60 cadres were commended at the meeting.

Provincial party committee Secretary Deng Hongxun attended and addressed the meeting.

In his speech, Comrade Deng Hongxun, on behalf of the provincial party committee [words indistinct], extended heartfelt gratitude and respect to those units and cadres commended.

Comrade Deng Hongxun summarized the achievements scored by discipline inspection units and cadres in combating corruption, investigating and acting on offences of law and discipline, promoting party style, and maintaining the integrity of party and government departments over the last three years since Hainan was declared a province, and warmly praised them for their adherence to principle and boldness in struggle and for their contributions to improving party style and building a clean and honest government.

Deng Hongxun stressed: To improve discipline inspection, [passage indistinct] set high demands on party members, deal with major and important cases, and conduct a persistent and thorough campaign against corruption, which should go hand in hand with the antipornography struggle. It is necessary to overcome slackness in investigating and prosecuting offenses of law and discipline [words indistinct]. Third, we should build a contingent of discipline inspection cadres, which displays a high level of consciousness and is combat-worthy and politically reliable, to meet the needs of reform and opening to the outside world. Fourth, party committees at all levels should attach importance to and support discipline inspection work, firmly standing behind discipline inspection units.

He hoped discipline inspection units all over the province would give wide publicity to advanced models and advanced experience and encourage the broad masses of discipline inspection cadres to maintain their high political morale and enterprising spirit so that party style and social practices will turn for the better once and for all in Hainan special economic zone. [passage omitted]

Henan Secretary on Need To Promote Young Cadres

HK0801071892 Zhengzhou Henan People's Radio Network in Mandarin 2300 GMT 28 Dec 91

[Text] During yesterday's informal discussion with some delegates who attended the [words indistinct] provincial work meeting, Provincial Party Secretary Hou Zongbin pointed out that party committees and organization departments at all levels should observe the principle of using cadres according to their work performance, and vigorously do a good job in training, selecting, and promoting young cadres in the practice of reform and opening up as well as in the struggle against peaceful evolution. This move is of great significance in fulfilling the Eighth Five-Year Plan, attaining the goals of struggle in the coming decade, and in rejuvenating all of Henan.

Also present at the meeting were Wu Jichuan, deputy provincial party secretary; Liu Guangxiang, Standing Committee member and head of the Organization Department of the provincial party committee; Wu Shouquan, head of United Front Work Department of the provincial party committee and vice chairman of CPPCC Henan provincial committee; party secretaries and organization department heads of some cities and prefectures; and relevant responsible persons from some large and medium enterprises as well as a number of institutions of higher learning.

Hou Zongbin focused his speech on the selection and promotion of young cadres. He said: The Fifth Provincial Party Congress worked out the basic guiding ideology of advancing in unity and rejuvenating Henan as well as the strategic goal of "One High, One Low." A key issue in fulfilling the above strategic goal in a down-to-earth manner lies in the training of qualified personnel. To train, select, and promote qualified personnel, we must, in accordance with the needs of the present modernization drive, bring up a contingent of party and government cadres who persistently take the socialist road, possess professional knowledge, and have the ability to do solid pioneering work; a contingent of economic managerial cadres in the socialist modernization construction; and a contingent of scientific and technological personnel of the working class who are both socialist-minded and vocationally proficient. As far as Henan is concerned, these three contingents are not strong enough to meet the needs of construction and development. Such a situation has resulted from our failure to train, select, and promote enough young cadres. Therefore, it has become a task of top priority to bring up, select, and promote young cadres who can work beyond the century.

Hou Zongbin further pointed out: The coming decade is a vital period which will determine whether or not we can attain the second-step strategic goal and win the victory of the struggle against peaceful evolution. Young cadres who can work beyond the century are shouldered with a heavy historical task of carrying forward the revolutionary cause pioneered by our predecessors and forging ahead into the future. On the one hand, we

should redouble our efforts to strengthen education among this generation so as to enable them to really become the party's loyal [words indistinct]; on the other hand, we should select and promote without delay these cadres to leading posts to be tested and tempered with the aim of letting them study and master Marxism-Leninism in practice, thus ensuring that leading powers at all levels will be always in the hands of [words indistinct] generation after generation.

Hou Zongbin emphasized that when selecting and promoting young cadres who can work beyond the century, we should make sure that they are up to the standard. We should put in the first place the fundamental issue whether or not they can uphold Marxism and the party's basic line. We should adhere to the policy of four modernizations, the principle of possessing both ability and political integrity, and the principle set out by the provincial party committee that cadres should be selected and promoted according to their work performance. We should put an end to the usual practice by which the seniority of cadres is determined according to years of service; we should also correct the wrong thinking that [words indistinct]. We should broaden the field of our vision, and discover, select, and promote qualified cadres in practice. At the same time, we should also pay attention to [words indistinct], enable old and new cadres to work in close cooperation, and fulfill the work of [words indistinct], so as to ensure that there is no lack of successors to carry on the flourishing cause of our party.

Guan Guangfu Attends Public Security Meeting

HK0801071692 Wuhan Hubei People's Radio Network
in Mandarin 1000 GMT 28 Dec 91

[Text] This morning, leaders from the provincial party committee, military command, and other departments concerned—including Guan Guangfu, Guo Shuyan, (Chen Ming), Shen Yinluo, and others—visited the deputies to the 24th provincial conference on public security work in Wuchang.

On behalf of the provincial party committee and government, Guo Shuyan delivered an important speech. He called on public security organs at all levels to follow the party's basic line in punishing serious economic criminals. In those areas which are in great chaos we should, under the leadership of local party committees and governments, make special efforts to straighten things out. For the present, we should especially make sure that the large and medium enterprises are safe, improve public security in rural areas, and provide a secure environment for our efforts to enliven large and medium enterprises and open up new prospects for agriculture and rural work.

Guo Shuyan went on: Public security organs at all levels must carry out the principle of running the police with strict discipline and placing high demands on them in their education, administration, and training, so that they will better enforce the law and enhance their quality as a whole, thus giving a better play to their functions.

The meeting also heard and studied an important speech by Comrade Guan Guangfu on strengthening public security, made at the recent provincial party committee Standing Committee meeting. In his speech, Guan Guangfu said: Party committees, governments, and public security organs at all levels must understand the importance of improving public security. Both Guan Guangfu and Guo Shuyan stressed that public security organs must submit themselves to absolute party leadership. Party committees at all levels must strengthen leadership over public security work and place the work high on their agenda. All departments concerned must unite and cooperate with public security organs, joining forces to oppose the enemy.

Guo Shuyan on Peasants' Burdens, Other Issues

HK0801091492 Wuhan Hubei People's Radio Network
in Mandarin 1000 GMT 29 Dec 91

[Excerpts] Guo Shuyan, provincial deputy party secretary and governor, and Vice Governor Zhang Huainian, leading persons in charge of relevant provincial departments, went to Zaoyang 24-26 December on an investigation tour, studying ways to implement the spirit of the Eighth Plenary Session of the 13th CPC Central Committee and do a better job in agriculture and rural work in this province.

Guo Shuyan and his party earnestly listened to reports from some counties and cities, including Zaoyang, Anlu, Tongcheng, and Yichang, on the building of rural socialized service systems, rural industrial restructuring, and the lessening of peasant burdens. They talked with the persons in charge of some enterprises and townships, towns, and villages in Zaoyang.

During the investigation tour, Guo Shuyan gave his opinion on the issue of rural reform and development.

Guo Shuyan pointed out: It is necessary to clarify the guiding principle for rural economic development, achieve the transition from having adequate food and clothing to living in relative comfort, guarantee big increases in rural output value and peasant income, and fulfill the target of 850-yuan per-head net income of peasants by the end of the Eighth Five-Year Plan, which was set by the provincial committee and government. In other words, the per-head net income of peasants will have to increase by 50 yuan each year. This has become a fixed target for judging rural economic development in our province and has to be implemented in the entire course of rural work.

Guo Shuyan emphatically discussed strengthening the building of rural socialized service systems.

He said: Strengthening the building of rural socialized service systems is a central link in rural reform and an adjustment of rural production relations. It is necessary to sum up experiences; adopt substantial measures to implement the principle of upgrading the systems at the county level, perfecting them at the township level, and

strengthening them at the village level; and consistently perfect them and make them complete at different levels and in various forms. [passage omitted]

Guo Shuyan also expressed his views on: Attaching great importance to the role of science and technology; actively carrying out the strategy of integrating agriculture, science and technology, and education; substantially strengthening the building of rural grass-roots party organizations by taking advantage of the opportunity of socialist education; consistently protecting peasants' legitimate rights and interests; and genuinely reducing peasants' burdens. [passage omitted]

Xiong Qingquan, Others Visit Mao's Birthplace

HK0401034092 Changsha Hunan People's Radio
Network in Mandarin 2300 GMT 25 Dec 91

[Text] When visiting Shaoshan yesterday, Comrade Xiong Qingquan, provincial party secretary said: At a time when the international political climate is constantly changing and the international communist movement has met with setbacks, the cadres and masses of Hunan Province should make efforts to study, publicize, and defend Mao Zedong Thought. They should carry forward the Shaoshan spirit of: Bitter sacrifice strengthens bold resolve/Which dares to make sun and moon shine in new skies, and, with outstanding achievements in the building of two civilizations, greet the convening of the 14th party congress and the 100th birth anniversary of Chairman Mao Zedong.

Early yesterday morning, provincial party, government, and military leaders including Xiong Qingquan; Chen Bangzhu; Sun Wensheng; Yang Zhengwu; Wang Zhiguo; (Liu Zheng); Dong Zhiwen; Shen Ruiting; (Xiao Qiuru); Zhao Peiyi, head of the provincial committee organization department; and Zhou Texin, head of the provincial committee propaganda department, drove from Changsha to Shaoshan to visit Comrade Mao Zedong's former home and the memorial gallery. Comrade (Wan Da), former director of the provincial advisory committee, who had arrived in Shaoshan earlier, joined them in the activities.

Many leading comrades feel that each time they come to Shaoshan, they find themselves holding Comrade Mao Zedong in higher reverence. Historical experience has proved that China's reform and opening up and four modernizations cannot work without the guidance of Mao Zedong Thought.

Provincial party, government, and military leaders, together with the leading comrades of the Xiangtan City party committee and government, the Shaoshan City party committee, and the Shanshan management office, held an on-the-spot work meeting to solve some problems concerning preparations for commemorative activities marking Comrade Mao Zedong's 100th birth anniversary, which is coming on 26 December 1993. At the

on-the-spot work meeting, provincial party and government leaders pointed out: It is necessary, through immediate and long-term commemorative activities, to concentrate on helping cadres and the masses study and master Comrade Mao Zedong's brilliant thinking and great practice, and build well socialism with Chinese characteristics. Various commemorative activities should have appropriate scope, be simple and inexpensive and rich in ideological content, produce good educational effects, contribute to the study, publicizing, and development of Comrade Mao Zedong's noble character and revolutionary spirit, and embody the will of the whole party and the whole nation.

Southwest Region

New Law Protects Arable Land on Chengdu Plain

OW3012060691 Beijing XINHUA in English
0551 GMT 30 Dec 91

[Text] Chengdu, December 30 (XINHUA)—Arable land on the fertile Chengdu Plain in southwest China's Sichuan Province will be protected by a recently enacted special law which goes into effect at the beginning next year.

Provincial Vice Governor Liu Changjie announced the establishment of the Chengdu Plain Arable Land Protection Area. At the same time, the provincial people's congress issued the "Regulations on Arable Land Protection on the Chengdu Plain."

The Chengdu Plain is China's major agricultural bases for the production of grains, oil bearing crops and meats. The plain surrounds Chengdu, the provincial capital, the prefectural level city of Deyang, and the county level cities of Dujiangyan and Guanghan, as well as 92 small towns. The region has a total population of over 11 million.

The arable land available on the plain has decreased rapidly over the past few decades due to the initiation of various construction projects.

Statistics show that available arable land on the plain dropped from the 705,000 hectares (ha) in 1957 to 610,000 ha in 1989. An average of 2,933 ha of farm land disappeared annually, and land equal to a medium-sized county disappeared every ten years.

At the same time, the population on the plain grew from 7.36 million to 11.28 million, and, at present, the per capita amount of farm land stands at 0.054 ha.

At the present rate of decline the amount of arable land available on the plain would be reduced to only 506,000 ha by the year of 2000.

The vice governor pointed out that the contradiction between the declining farm land and the rising population is becoming even more serious.

He added that the new regulation calls on all people on the plain to cherish the remaining precious arable land, and will greatly reduce land-use approval rights granted by the governments at various levels. The regulation stipulates that the Chengdu city government will be allowed to grant a maximum of 20 mu (about 1.6 ha) of land to any user, while the county government will be limited to granting only three mu.

According to the regulation, arable land on the plain which is under first-degree protection should not be used for non-agricultural related construction, and should it become absolutely necessary to use such land for other purposes an application must be submitted to the provincial government for approval.

In addition, only the State Council can make a decision concerning the use of over 1,000 mu.

According to Liu, the provincial government is currently drafting an overall arable land protection plan for the plains.

In addition, land-use costs will increase from 0.5 to two times over the current costs, and those who treasure and effectively protect the farm land will be rewarded.

CPPCC Meeting Hears Gyaincain Norbu Speech

*OW2912105691 Lhasa Tibet Television Network
in Mandarin 1230 GMT 27 Dec 91*

[From the "Tibet News" program]

[Text] The Eighth Meeting of the Fifth Tibet Autonomous Regional Standing Committee of the Chinese People's Political Consultative Conference [CPPCC] opened in Lhasa on 27 December.

Attending the opening ceremony were Pagbalha Geleg Namgyai, Lhamin Soinam Lhunzhub, Jimzhong Gyaincain Puncog, Lhalu Cewang Doje, Huokang Suolang Bianba, Tangmai Gongjue Baimu, Gonbasar Tubdanjigzha, Qaba Gaisang Wangdui, and Duoizha Jiangbailuosang, regional CPPCC Committee vice chairmen; and (Xu Hongsheng), regional CPPCC Committee secretary general. Sengqen Lozong Gyaincain, vice chairman of the autonomous regional people's congress, and Gying Puncog Cedain, vice chairman of the autonomous region, attended the meeting as observers. Also present were national CPPCC Committee members working in our region and leaders from relevant autonomous regional departments and commissions.

The Standing Committee of the Fifth Tibet Autonomous Regional Committee of the CPPCC has 77 members, 48 of whom attended the meeting. The number met the quorum specified in the CPPCC charter. Lhamin Soinam Lhunzhub, vice chairman of the regional CPPCC Committee, presided over the meeting and delivered a speech.

The meeting's principal business includes study sessions on the implementation of the guidelines of the central

work conference, the autonomous regional party committee's work conference, and the Eighth Plenary Session of the 13th CPC Central Committee. Participants will also hear reports by leading comrades from the autonomous regional party committee and government on the international and domestic situations and on family planning. They will examine and approve a decision on making the autonomous regional Association for Science and Technology a component of the regional CPPCC Committee.

Jimzhong Gyaincain Puncog and (Xu Hongsheng), respectively vice chairman and secretary general of the regional CPPCC Committee, relayed the guidelines of the eighth plenary session of the CPC Central Committee and General Secretary Jiang Zemin's speech. A written speech by Gyaincain Norbu's, autonomous regional chairman, was read at the meeting. In his speech, Gyaincain Norbu said: It is hoped that CPPCC members will continue to enhance the spirit of showing utter devotion to each other and of sharing honor and disgrace among themselves. It is hoped that they will enhance the party and government's flesh-and-blood ties with the people to promote the implementation of various policy decisions of the Central Committee and the autonomous regional party committee. I also hope that they will exercise supervision and make criticisms and suggestions regarding the work of party committees and governments at all levels, including efforts aimed at promoting honesty in performing official duties and at remedying various unhealthy tendencies.

Tibet CPPCC Resolution on Plenum Guidelines

*OW0401101292 Lhasa Tibet Television Network
in Mandarin 1230 GMT 3 Jan 92*

["Excerpt" of resolution adopted by the Eighth Session of the Standing Committee of the Fifth Tibet Autonomous Regional Committee of the Chinese People's Political Consultative Conference (CPPCC) on studying and implementing the guidelines set by the Eighth Plenary Session of the 13th CPC Central Committee and the central work conference in Lhasa on 3 January; from the "Tibet News" program]

[Text] The resolution pointed out: The central work conference held last September and the Eighth Plenary Session of the 13th CPC Central Committee fully expressed the Central Committee's confidence and resolve to concentrate on carrying out the basic line of "one central task, two basic points," to pursue the central task of economic construction, and to work hard to build socialism with Chinese characteristics, and fully expressed the common wishes of the people of all nationalities in the country. Carrying out the Central Committee's decision in earnest has extremely great significance for the acceleration of Tibet's economic development, for maintaining the autonomous region's social stability, for achieving the objectives of the region's 10-year development program and its five-year plan, for strengthening the region's political stability and unity,

for strengthening the people's democratic dictatorship, for the region's countersplittist struggle, and for the region's efforts in fighting peaceful evolution.

The resolution urged people's political consultative organizations and members at all levels, under the leadership of CPC Committees at their respective levels, to study and publicize earnestly in breadth and in depth the guidelines of the central work conference and the Eighth Plenary Session of the 13th CPC Central Committee; to regard as important supporting and helping CPC Committees and people's governments at all levels in carrying out the decision of the central work conference and the Eighth Plenary Session of the 13th CPC Central Committee; to conduct investigations and studies closely centering on conducting socialist ideological education in rural and pastoral areas and on problems of concern to peasants and herdsmen; to enthusiastically offer suggestions and opinions; to give full play to their democratic supervisory role as masters of the country; to enthusiastically counsel local authorities; and to make contributions toward creating a new situation in the region's agricultural and animal husbandry industries and toward invigorating state-run backbone enterprises in Tibet.

Tibet Economy Maintains Development Momentum

*OW2912023791 Beijing XINHUA in English
0152 GMT 29 Dec 91*

[Text] Lhasa, December 29 (XINHUA)—The gross products of the Tibet Autonomous Region reached 2.53 billion yuan in terms of value this year, up by 3.7 percent over last year, according to Xiang Yang, head of the regional Economic Planning Commission.

The total income the region hit 2,048 million yuan and the total output value of industry and agriculture reached 2,449 million yuan, increasing 9.2 percent and five percent, respectively, over 1990.

The region harvested a record 580,000 tons of grains this year.

There were 6.53 million newborn domestic animals this year, with the survival rate up by 5.5 percent over last year.

There has been a steady development of a diversified undertakings and township industries. The output value of township factories is estimated to have reached 190 million yuan, rising by 8.6 percent from last year.

The average per capita income of peasants and herdsmen reached 455 yuan, up by 25 yuan from last year.

Xiang said the construction of key state projects is going full steam ahead. Tibet invested 921 million yuan in fixed assets this year. The development of Yarlung Zangbo River and its two tributaries, the construction of the Zamzho Yumco Pumping and Power Storage Station and other key projects have all attained the year's target.

According to the regional government, the total volume of retail sales is estimated to reach 1.54 billion yuan this year, an increase of 4.1 percent over last year, while prices have been stable.

Xiang said the total volume of imports and exports increased by 45.6 percent over last year. Tibet also received 15,200 tourists this year, up by 38.5 percent over last year.

He said that the region will pay more attention to the construction of essential agricultural and animal husbandry facilities and launch technical renovation of some key projects in the region next year.

'Rapid' Development Described

*OW0401093492 Beijing XINHUA in English
0836 GMT 4 Jan 92*

[Text] Lhasa, January 4 (XINHUA)—The Tibet Autonomous Region saw rapid economic development in 1991, the first year of the region's Eighth Five-Year Plan and 10-Year Program for social and economic development.

It is expected that the regional gross product, revenue and total industrial and agricultural production value for 1991 will exceed 2.53 billion yuan (507 million U.S. dollars), 2.04 billion yuan (409 million U.S. dollars) and 2.44 billion yuan (489 million U.S. dollars), respective increases of 3.7 percent, 9.2 percent and five percent over 1990.

With agriculture and animal husbandry as its economic foundation, Tibet strengthened the construction of farm and grassland and the application of agro-techniques.

Although the region was hit by natural disasters, its grain output last year still set a record of 580,000 tons, up 4.5 percent on the previous year.

There were 6.53 million head of livestock born last year, with a survival rate of 5.5 percentage points more than the year before.

The township enterprises also developed quickly, with an estimated output value of 190 million yuan, up 8.6 percent over 1990.

The annual income per capita reached 455 yuan (90 U.S. dollars), 25 yuan more than in 1990.

Industry and transportation also developed smoothly last year, while management was improved and the industrial structure was readjusted. It is expected that the total industrial output value for 1991 will reach 403 million yuan, 7.2 percent more than in 1990.

With political stability in Tibet, the total volume of the region's imports and exports last year jumped by 45.6 percent. Cooperation with the Food and Agriculture Organization of the United Nations and with Germany netted imports of 50 million yuan-worth of technology and equipment as well as capital.

The region received 15,200 tourists last year, up 38.5 percent and its tourist income totalled 73.57 million yuan, up 22 percent. In addition, the region also enhanced economic and technical co-operation with other parts of the country.

Yunnan Electronics Corporation's Sales Reported

OW0701173292 Beijing XINHUA in English
1522 GMT 7 Jan 92

[Text] Kunming, January 7 (XINHUA)—The Yunnan Electronic Equipment Corporation (YEEC) recorded 1991 sales of over 140 million yuan (about 28 million U.S. dollars).

The corporation, one of China's major electronic equipment manufacturers, mainly produces computers and digital display systems.

The corporation, which developed China's foreign debt accounting system, foreign exchange administration system and 23 other major softwares, is one of China's major computer suppliers to financial institutions.

UNISYS Corporation, the second largest computer company in the United States, sells BP8900 terminals manufactured by the YEEC.

By 1990, YEEC has recorded sales in the United States of over one million U.S. dollars. And, in June 1991, YEEC signed an agreement with UNISYS for the joint development and production of "Asian terminals."

YEEC has also sold over 400 computer terminals in Thailand.

In light of the success of YEEC, other major Chinese computer manufacturers, including the Beijing-based Great Wall Group and the Yangtze Group in Shanghai, have initiated cooperative ventures with their overseas counterparts.

North Region

Beijing Reports 1991 Grain Output Figures

SK0801075492 Beijing BEIJING RIBAO in Chinese
26 Nov 91 p 1

[Summary] According to the statistical data compiled by the Beijing municipal statistical bureau in the middle of November, Beijing Municipality reaped another bumper grain harvest this year. Its total annual grain output reached 2.797 billion kg, a 5.7 percent increase over 1990. Its per mu yield reached 640.8 kg, a 7.4 percent increase over 1990. Of this total, summer grain output reached 1.085 billion kg, a 6.9 percent increase over 1990, and autumn grain output reached 1.712 billion kg, a 4.9 percent increase over 1990.

Inner Mongolia Reports State Farms' Grain Output

SK0801095992 Hohhot NEIMENGGU RIBAO
in Chinese 23 Nov 91 p 1

[Summary] Based on bumper harvest figures over the past six consecutive years, state agricultural and pastoral farms throughout the autonomous region reaped another bumper grains harvest in 1991. Their total grain output was more than 820 million kg, a 50-million kg and 6.1 percent increase over 1990. The per capita output was 1,867.8 kg, an 11.7 percent increase over 1990. Their yearly average increase in grain output was 50 million kg.

Wang Senghao Presides Over Economic Meeting

HK0101105692 Taiyuan SHANXI RIBAO in Chinese
29 Nov 91 p 1

[By Yu Lingeng (0205 2651 2704): "Provincial Government Standing Committee Holds Meeting To Study Thinking and Focal Points for Economic Work Next Year"]

[Text] The provincial government called a meeting between 15 and 22 November to hear reports of the Provincial Planning Commission, Economic Commission, Restructuring of the Economic System Commission, Science and Technology Commission, Office for Agriculture, Office for Finance, and Finance Department on conditions of work progress this year and work arrangements for next year to study the thinking and focal points for economic work next year. Governor Wang Senghao presided over the meeting, with attendance of Vice Governors Guo Yuhai, Wu Dacai, Wu Junzhou, Wu Jie, and Li Zhenhua.

Those attending the meeting expressed the belief that since the beginning of this year, Shanxi's people have, under the leadership of the provincial party committee and government, adhered to the line, principles and policies since the Third Plenary Session of the 11th Central Committee, further conducted improvement, rectification and deepening reform, and unfolded activities in "management year" with quality, varieties and economic returns as the key contents, thus promoting the steady and continuous economic and social development provincewide.

The rural economy continued to develop. A bumper harvest was reaped in summer grain crops, and it was the second highest output year in history. There was a rather great cutback in autumn grain output because of serious drought. However, enterprises in townships and towns continued to enjoy rather great development owing to bumper harvests in three consecutive years. Governments at all levels paid attention to doing a good job of making arrangements for people's livelihood in afflicted areas. The rural populace has maintained peace of mind, enjoying social stability in a year of serious natural disaster.

Industrial production steadily picked up; product mix was somewhat readjusted, enterprise management augmented, and the down slide of economic returns somewhat slowed. Gross annual industrial output value in 1991 was estimated to be 66.4 billion yuan, up by 7.3 percent from the previous year, gross industrial output value of enterprises at and above township and town levels would be 51.6 billion yuan, up by 5.2 percent.

Demand for investment in fixed assets expanded. Local social investment in fixed assets was estimated to increase by 17.5 percent from the previous year. Investment in capital construction continued to lean toward such energy resources and raw materials industries as coal power and nonferrous metals. The proportion of investment in the production process picked up, and the rate of fixed assets delivered to use increased somewhat.

Market sales picked up in an overall way with ample goods supply. Annual total volume of retail sales was estimated to be 20.5 billion yuan, up by 11.3 percent from the previous year. The annual price rise range of retail prices will be controlled within 5.5 percent. Import and export trade steadily increased, with deficits of export operation in foreign trade cut back.

A series of reformative policies and measures were presented. Reform's pace was accelerated with greater weight and momentum as well as substantial progress, while actively pushing forward the province's national economy to continue its development in a sound direction.

Pleasing progress was made in undertakings in science, technology and education through deepening reform. The effects of science and technology invigorating agriculture were obvious, the torch plan was implemented smoothly, work in converting and popularizing science and technological results was strengthened, new progress was made in education in various categories at all levels, and the function of education in science and technology serving socialist construction was further strengthened.

On the whole, Shanxi's economic situation this year has been fine, but not without some difficulties and problems. Agricultural output was cut back because of natural disasters, while exposing the weakness of the province's agriculture in resisting natural disasters. Because of the cutback in output, peasants' income shrank, with people going through difficulties in their livelihood in some areas, while affecting input in agricultural production next year. Readjustment in industrial setup was rather slow, with serious problems in repayment of "debt chains," finished products in stock remained high with a downslide in enterprises' economic returns and serious deficits, which resulted in difficulties in financial revenues and a stern situation. Major accidents were many, with poor safety conditions. Facing these difficulties and problems, it is necessary to adopt measures to earnestly resolve them in work next year.

The meeting believed that 1992 will be the second year of the Eighth Five-Year Plan. Doing a good job of work next year is of great importance to fulfilling the Eighth

Five-Year Plan's set goal. Through three-year efforts, Shanxi has basically completed the tasks for improvement and rectification. Beginning in 1992, it is necessary to shift the focus of economic works to restructuring and improving economic returns. According to the spirit of the central work conference convoked not long ago, the general requirement on Shanxi's economic work is to further push forward reform and opening up, consolidate the results of improvement and rectification, maintain the basic balance between general supply and demand with structural readjustment and improving economic returns as the key, further augment agriculture, do a good job of large and medium-type state-run enterprises, deepen "the management year" activities, invigorate circulation and push forward the continuous, steady and harmonious national economic development in Shanxi.

Those attending the meeting expressed the belief that in formulating the national economic plan for 1992, it is imperative to earnestly implement the central work conference's spirit in accordance with Shanxi's program of the Eighth Five-Year Plan. In 1991 investment arrangements, it is necessary to give prominence to foci, while acting according to the province's strength, with fewer new projects but more technological transformation pursued. Priority should be given to debt repayment for existing projects before planning for new ones based on the money left. Whether in capital construction or technological transformation projects, it is necessary to allow sufficient budget for investment, with arrangements made in circulation funds, leaving no gap.

Presently, all prefectures, cities, and various departments are very enthusiastic about economic development, with many pursuits in mind, but the state has limited financial strength. Under such circumstances, the only way out is to mobilize and rely on the whole society's strength to develop the economy and initiate various social undertakings. Since reform and opening up, enterprises have retained profits; people's income increased, and the province's populace now has some 28 million in savings deposit. Many things can be achieved by mobilizing mass strength. Presently, some countries are mobilizing the masses to collect funds to develop joint-stock enterprises in various categories in a big way; it is the same case with capital construction projects in farmland and water conservancy works. That is a good way, for it helps ease the difficulties in insufficient funds while being conducive to common prosperity.

Despite insufficiency in funds, the phenomenon of waste in funds is serious today. The construction period of many projects has been prolonged time and again with expenditures continuing to rise, whereas some projects have failed to bring in economic returns on the investment after they were put into production because of changes in the market. Beginning in 1992, a strict responsibility system should be formulated either in capital construction or technological projects, with responsibility given to every individual, allowing no ambiguity in meting out awards or penalties to insure input's economic returns in a down-to-earth way.

Those attending the meeting expressed the belief that the cutback of agricultural output by a wide margin this year due to natural disasters demonstrated that Shanxi's agricultural basis remains weak with poor capability for resisting drought. It is imperative to adhere to the principle of harnessing drought to invigorate agriculture for a long period. It is necessary to adopt such measures as developing crops on dry land, improving ecological environment and small river valleys to improve agriculture's capability for resisting drought. While the state increases its input, it is necessary to rely on the strength of the whole society to run agriculture in a big way.

Those attending the meeting expressed the belief that the focus of economic work next year must be placed on structural readjustment and improving economic returns in a down-to-earth manner. It is imperative to change the practice of regarding the indexes of output and output value as the major criteria for assessing economic work, and set up a new index system for assessment with economic returns in the main beginning with next year, and monthly statistics and reports will be worked out to be included in the provincial authorities' annual checkup of the targeted administration of various prefectures, cities, offices and bureaus as the grounds for meting out awards or penalties. It is necessary to continue to accelerate readjustment of product mix, with focal support to marketable goods, and limiting production of less marketable or slow-selling goods, while firmly halting production of long-term oversupplied goods. It is necessary to continue to grasp well work in limiting output and compressing over stocking goods and those major enterprises thus involved by linking compressing over stocking goods to controlling credit. Regarding those enterprises whose products are incompatible with enterprise policy, with serious overstock and long-term deficits while transformation is quite beyond them, they must be shut down, suspend production, be merged or transferred to other trades. It is necessary to make famous-brand, good-quality, and marketable products play a locomotive's role while adopting the ways of combination, merger, contracted responsibility and joint-stock system to organize institutes and enterprises of scientific research, production, and circulation to develop enterprise groups.

The focus of economic restructuring is to do a good job of large and medium-type state-run enterprises. It is necessary to earnestly implement the policies and measures already presented by the state and province, while genuinely relegating the managerial and operational power that has been made explicit in doing so. The province has many outstanding accounts to collect, and it is quite beyond it to adopt measures of cutting taxes and making concession in profits. Presently, most enterprises have a comparatively low level in management, but rather great potential. All enterprises should convert their managerial mechanism and exert efforts to deepen internal reform and improve enterprise management with some breakthrough in the employment and distribution systems to genuinely remove the iron chair and

break up the iron bowl, while establishing the competition and risk mechanisms to give play to the enthusiasm of the broad workers and staff members.

Circulation is an important link for the smooth progress of social reproduction. An underdeveloped market and blocked circulation channel is a conspicuous problem in today's economic life. Great efforts should be exerted to augment work in purchase and marketing to invigorate circulation. "Lifting the four restrictions" [0934 2397 7030] should be regarded as the key and breakthrough to guide reform of state-run and cooperative commerce in depth and further implement managerial autonomy of enterprises in this category to augment their vitality and give play to their role as the main channel. It is necessary to further deepen reform of the supply and marketing structure in the direction of "converting it from government-run to nongovernment-run," while giving play to the structure's role as a rural socialized comprehensive service center and major channel of circulation. The market system should be actively developed, and fair trade and specialized markets in various categories should be developed, completed and perfected. All enterprises should augment their strength in purchasing and marketing while continuing to push, complete, and perfect the contracted responsibility system with purchase and marketing.

Those attending the meeting expressed the belief that to do a good job of economic work in 1992, it is imperative to unify thinking and display vigor. Presently the central authorities and Shanxi have already presented a series of policies and measures to do a good job of large and medium-type state-run enterprises and invigorate circulation; the key lies in implementation. It is imperative to be strict with discipline, stress the concept and interest of the whole situation, oppose bureaucratism, formalism, and departmentalism, correctly handle the relationships between the state, the collective and the individual, change leadership and work style, hold fewer empty talks but more substantial business, while doing a good job of all work in a down-to-earth way.

Those attending the meeting decided to call a provincial economic work at the turn of this year and next year, to make overall arrangements for economic work next year. The meeting required all prefectures, cities and departments directly under the jurisdiction of the provincial authorities to spend around 20 days beginning from now to mid-December to go down to the grass roots to conduct indepth and meticulous survey and research in various economic work, centering around the difficulties and problems in economic work, while proposing special and effective measures and approaches to make preparations for doing a good job of economic work in 1992 in a down-to-earth way.

Northeast Region

Jilin Deputy Secretary Views Public Security

SK0701122192 Changchun Jilin People's Radio
Network in Mandarin 2200 GMT 6 Jan 92

[Text] At the 20th provincial public security conference, Du Qinglin, deputy secretary of the provincial party committee,

pointed out that we should vigorously strengthen public security work, give full play to the functional role of public security organs, safeguard social stability, and facilitate economic construction in a better way.

Du Qinglin discussed the great significance of strengthening public security work during the new period, and pointed to the 1990's as a period critical to China's socialist modernization and to the comprehensive development and invigoration of the province's economy. He pointed out: To attain the second-step strategic goal, a stable external and internal environment is needed first. We must fully understand the strategic relationship between maintenance of political and social stability and economic development. We must understand that strengthening public security work is an overall demand to protect the people's interests, safeguard state stability, consolidate the people's democratic dictatorship, deepen reform, open still wider to the outside world, and build socialism with Chinese characteristics. Therefore, we must pay great attention to making public security work a success.

Du Qinglin defined the major public security tasks the province should grasp during the 1990's, in line with the province's situation: We must persistently regard the endeavor to safeguard economic construction as the central task of public security work; emphasize large and medium-sized state enterprises, key projects, and economic development zones; and deal stern blows to all kinds of criminal offenses endangering economic construction to strengthen and defend economic construction. We should attend to stabilizing rural work, orient and subject public security work to reform and opening-up in an even better way, and defend and promote the development of productive forces. We should continue to put opposition to peaceful evolution first; foster the idea of waging protracted struggle against peaceful evolution; maintain a high degree of political alertness; strive to perfect technological and production means to improve the level of production; constantly perfect related laws and policies; deal timely and effective blows to subversion, infiltration, and sabotage by our enemies; and accurately and resolutely handle all sorts of complicated matters according to law. We must persist in the principle of dealing blows to serious criminal offenses as severely and promptly as possible according to law, pay attention to studying the law and characteristics of criminal offenses under the new situation, and strengthen prevention work to reduce crime. We must persist in the principle of public security work combining special work with the mass line. We should strengthen the mass concept, foster the idea of doing everything for the masses and depending on the masses to do everything, positively and voluntarily participate in improving the climate of the society in close coordination with all fields of society, and orient the work of fully depending on the masses to improve social order to a new stage.

Du Qinglin also dwelt on several opinions on strengthening party leadership over public security work. He

pointed out: The major matters regarding public security work should be listed as important items on the party committees' daily agenda so that the matters will be studied and handled in a timely manner and a good working environment will be created for public security organs. [passage indistinct] Party committees should pay attention to enhancing the fighting capacity of public security organs, and strengthening the building of public security organs. Public security cadres and policemen should maintain political unanimity with the CPC Central Committee, should use the powers entrusted to them by the masses to strengthen the building of leading bodies of public security organs, and should give full play to the fighting role of party organizations of public security organs at all levels in order to make new contributions to invigorating the economy and developing the society of the province.

Conference on Marxist Education in Colleges Ends

SK0701055892 Changchun JILIN RIBAO in Chinese
14 Nov 91 p 1

[By reporter Yu Shui (0060 3055): "Persistently Educating the People With Marxist Theory"]

[Text] The two-day provincial conference on Marxist theory education for colleges ended on 13 November. The conference stressed: Educating college students in Marxist theory is a major characteristic of China's socialist education. Persistently educating college students in Marxist theory is the only way to give them a correct political orientation and become qualified talents meeting the demands of China's socialist cause.

Gu Changchun, deputy secretary of the provincial party committee, attended the conference, and made a speech.

The conference maintained: Strengthening and improving the Marxist theoretical education is a long-term task of fundamental and strategic significance. Marxist theoretical education is a science but not a general science. It is a science to mold the students' outlook on the world, on life, and values, thus playing a dominate and guiding role to the growth of college students. Success or failure in Marxist education has a bearing on whether there are successors to our cause and on the future and destiny of our country. Leaders and the vast number of college teachers must approach the great significance of Marxist theory education from the high plane of opposing and resisting peaceful evolution, and ensuring that socialist China will never change her political color. These leaders and teachers must use Marxism to arm college students and to occupy the ideological front of colleges.

The conference pointed out: Leaders of colleges should actually strengthen leadership over Marxist theoretical education, and should work in classrooms and with students to grasp education in a down-to-earth manner. Leaders of colleges should strengthen management over teaching, and should adopt various measures to improve the quality of teaching in classrooms in order to convince

students by force of argument, and touch students by emotion. College students should be organized to appropriately participate in the social practice as required by the content of teaching so that they can accept education from social practice. Colleges should perfect the distribution of curriculum, strengthen management over teaching materials, strengthen the building of the ranks of teachers, and truly foster and build a contingent with a sufficient number of teachers who are relatively high in political and professional expertise, so that we can raise Marxist theoretical education in the province's colleges to a new level.

Quan Shuren Speaks at Liaoning Plenary Session

SK2612093091 Shenyang Liaoning People's Radio
Network in Mandarin 1030 GMT 25 Dec 91

[Text] The Fifth Plenary Session of the Seventh Liaoning Provincial CPC Committee opened in Shenyang on 24 December. The central aims of this session are to study thoroughly and understand the guidelines of the documents of the eighth plenary session of the 13th Central Committee, and to discuss and decide on the basic tasks and major work of Liaoning's agriculture and rural work for the 1990's in an effort to open a new situation in the agricultural and rural work of the province.

Quan Shuren, secretary of the provincial party committee, gave a report at today's plenary meeting entitled: "Strengthen Agriculture and Rural Work and Strive to Attain the Second-Step Strategic Objective of the Rural Areas of the Province." The report dwelt on six issues:

1. The basic situation in Liaoning's rural reform and development in the 1980's;
2. The basic goals and tasks of Liaoning's agriculture and rural work for the 1990's;
3. Implement the party's various basic policies for rural areas and continue to deepen rural reform;
4. Improve the capacity for comprehensive agricultural production and develop the rural economy in all sectors;
5. Intensify socialist ideological education in rural areas and strengthen the building of the spiritual civilization;
6. Continuously strengthen the fundamental position of agriculture and strengthen party leadership over rural work.

In his report, Quan Shuren reviewed the basic situation in Liaoning's rural reform and development in the 1980's. He said: With the guidance of the line, principles, and policies laid down since the third plenary session of the 11th Central Committee, party organizations at all levels, the vast number of party members, and peasants in rural areas of the province continuously deepened the reform with a pioneering and creative spirit and enabled the rural economy to enter a new stage of development in all sectors. Comprehensive agricultural production capacity improved notably, grain production was

brought to a new stage, diverse production witnessed comprehensive development, peasants enjoyed increased income and improved living standards, and a marked change took shape in their mental outlook. A change begun in the rural economy from single-product agriculture and partly self-supporting economy into a planned commodity economy and modern agriculture. A vigorous scene appeared in the vast rural areas.

Quan Shuren pointed out: While fully affirming the achievements made in the 1980's, we should remain clear-headed and note the incompatibility of Liaoning's agriculture and rural work with the needs in its economic development, and the failure to fully develop its many advantages and potential. Many problems that we must not neglect still exist in agricultural and rural work. The major ones are the weak foundation for agriculture; the lack of coordination in rural reform in various fields; and especially, the imperfect service system, the incompatibility of the circulation system with the endeavor to accelerate the development of the commodity economy, the incompatibility of the weak collective economy with the demand for developing the rural economy in all sectors, the incompatibility of the development of science, technology, and education in rural areas with the demand for agricultural modernization, and the incompatibility of the rural spiritual civilization with the material civilization.

In his report, Quan Shuren emphatically expounded the basic goals and tasks of Liaoning's agriculture and rural work for the 1990's. He pointed out: The 1990's constitute a crucial period for Liaoning to attain the second-step strategic objective of economic and social development. Therefore, we should put the issues concerning agriculture, rural areas, and peasants first in Liaoning's reform, construction, and social development. The general goals of Liaoning's agricultural and rural work for the 1990's are to double the GNP [gross national product] and per-capita income again, to raise the capacity for comprehensive grain production to a new stage, to accelerate the pace in agricultural modernization, and to enable peasants to achieve a fairly comfortable life ahead of schedule.

Quan Shuren stressed: Following the improvement in the productive forces and the development of the commodity economy in rural areas, rural in-depth reform should be focused on developing and improving the socialized service system, enlivening commodity circulation, and expanding the collective economy on the condition that the household-based responsibility system with output linked to remuneration is stabilized. These three aspects of work are interacting parts of a whole. We must have a good grasp of the central points and their relations to one another and continuously deepen rural reform.

Quan Shuren said: The goals of Liaoning's rural reform and construction are magnificent and the tasks are arduous. The key to fulfilling the arduous tasks lies in making a success of next year's work. At present, we

should start preparations for spring farming in an effort to gather another bumper harvest, achieve progress in various undertakings comprehensively, and lay a solid foundation for fulfilling the tasks of the 1990's.

Shang Wen, deputy secretary of the provincial party committee, presided over today's plenary meeting.

Plenum Concludes

SK2812150191 Shenyang Liaoning People's Radio Network in Mandarin 1030 GMT 27 Dec 91

[Text] The Fifth Plenary Session of the Seventh Liaoning Provincial CPC Committee concluded in Shenyang this morning.

The comrades participating in the session conscientiously studied the documents adopted at the Eighth Plenary Session of the 13th CPC Central Committee. They unanimously maintained that the decision of the CPC Central Committee on further strengthening agriculture and rural work is a programmatic document to guide the agricultural and rural work in the new historical period, and is of great practical and far-reaching historical significance in building new rural areas of socialism with Chinese characteristics.

Through conscientious discussions, the plenary session participants unanimously approved Comrade Quan Shuren's report, made on behalf of the Standing Committee of the provincial party committee, and the resolutions of the fifth plenary session of the seventh provincial party committee on strengthening agriculture and rural work and fighting for the second-step strategic objective in rural areas.

The plenary session participants pointed out: In the 1980's, the province made great achievements in conducting reforms and construction in rural areas and entered a new stage of comprehensively developing the rural economy. The vast number of peasants have noticeably changed their mental outlook. However, the agricultural foundation is still weak, some rural work problems cannot be ignored, and the rural work is not suitable for the demands of the province's economic and social development. So, we must have a clear understanding of this.

The plenary session participants set forth: In the 1990's, the province should make a new breakthrough in agriculture and rural work on the basis of the achievements made in the 1980's; ensure that the GNP [gross national product] and the per capita income of the rural areas is doubled and that the overall agricultural production capacity is promoted to a new level; accelerate the pace of agricultural modernization; make the peasants comparatively well-off ahead of schedule; ensure that the province become economically prosperous and industrially well-developed; and enrich the material and spiritual life of the people, improve the living conditions, upgrade the health quality of the people, and have good public order.

The plenary session participants urged: To realize the grand goals and tasks of the 1990's, we should define the concept of large-scale agriculture; give full scope to the province's advantages of having many large and medium-sized enterprises, abundant scientific and technological forces, and rich natural resources; persistently coordinate urban areas with rural areas; and let localities learn from each other's advantages and make progress at the same pace. It is necessary to deepen reforms continuously. On the basis of stabilizing the contracted household responsibility system with payment linked to output, and perfecting the system of linking centralized management with decentralized management, we should concentrate efforts on perfecting the socialized service system, enlivening the circulation of commodities, and expanding the collective sector of the economy. We should consider scientific and technological progress as a guide and regard improvement of the overall agricultural production capability and the economic results as our goal to firmly grasp the implementation of the strategies for enlivening agriculture through education. We should pioneer various channels to increase the input in agriculture, ceaselessly improve production conditions, develop natural resources, tap potential, and readjust the production structure. While ensuring a stable increase in grain production, we should positively develop a diversified economy; vigorously develop town and township enterprises; and continue to firmly grasp the development and construction of the areas in the eastern, western, and northern parts of the province and to help these areas eliminate poverty. We should deeply conduct education on socialist ideology, persistently and regularly conduct ideological and political work, help cadres and the people upgrade their awareness of socialism, narrow the relationship between the party and the peasants, promote the construction of material and spiritual civilizations, and consolidate the rural socialist front.

The plenary session participants stressed: We should ceaselessly strengthen agriculture's role as the foundation of the national economy; strengthen the party's leadership over rural work; organize all professions and trades to vigorously support agriculture; make conscientious efforts to reduce the burden on the peasants; strengthen the construction of town, township, and county leading bodies and village-level grass-roots party organizations; improve the method of leadership, work style, party style, and administrative honesty; and fully arouse and protect the peasants' socialist enthusiasm.

The plenary session participants maintained: The provincial fighting goals for agricultural and rural work in the 1990's have been clearly defined. The rural areas of the province have entered a new period of developing the socialist commodity economy and becoming fairly well-off. Only when we conscientiously implement the guidelines of the eighth plenary session of the CPC Central Committee and this plenary session, fully understand where the potential lies and what the favorable factors are, emancipate our minds, become inspired with enthusiasm, work arduously, do solid work, and blaze new trails will we be able to attain our goals.

Yue Qifeng, deputy secretary of the provincial party committee and governor of the province, made a speech at the plenary session. He pointed out: We should fully understand the great significance of strengthening agriculture and rural work, firmly believe that provincial agricultural production will reach a new level, vigorously develop town and township enterprises, increase the strength to develop agriculture and the rural economy, further strengthen leadership over agriculture and the rural work, and firmly grasp the implementation of various work tasks.

Yue Qifeng said: The province has defined the goals, orientation, guiding ideology, basic tasks, policies, and measures for developing agriculture and the rural work in the next decade. Based on seeking unity of thinking, we should wage an arduous struggle, work in a down-to-earth manner, improve work style, firmly grasp the implementation work, and strive to create a new situation in agriculture and rural work.

Quan Shuren Tours Jinzhou Petrochemical Company
SK0801090292 Shenyang LIAONING RIBAO
in Chinese 27 Nov 91 p 1

[By reporter Liu Ziyang (0491 1311 7122): "Follow the Road of Tapping Potentials and Concentrate on Comprehensive Utilization"]

[Excerpt] Quan Shuren, secretary of the provincial party committee, and some other leading comrades inspected the Jinzhou Petrochemical Industrial Company on 12 November. They fully affirmed the company's endeavor in comprehensive utilization and intensive processing, and then called on all industrial enterprises in the province to learn from it. This company has followed the road of tapping potentials and has asked for efficiency from comprehensive utilization and intensive processing. As a result, the company refines 2.5 million tons of oil annually with the efficiency that it formerly used to refine 4 million tons of oil, thus ranking first in comprehensive economic efficiency among the enterprises of the same trade throughout the country. [passage omitted]

Inspects Panjin Plant, Oilfield

SK0201050192 Shenyang Liaoning People's Radio
Network in Mandarin 2300 GMT 31 Dec 91

[Text] On the afternoon of 31 December, the leading comrades of party, government, and Army organs—including Quan Shuren, secretary of the provincial party committee; Yue Qifeng, governor of the province; Liu Jingsong, commander of the Shenyang Military Region; and Song Keda, political commissar of the military region—went to the natural gas chemical industrial plant in Panjin and the Liaohe Oilfield to extend festive greetings to staff members and workers. Around 1600, Quan Shuren arrived at the chemical industrial plant in Panjin. He enthusiastically praised the major contribution made by the staff members and workers of the plant in displaying the spirit of being masters of their own

affairs in building and putting into production the 130,000-ton ethylene plant ahead of schedule. He wished them still greater achievements in the new year.

During their inspection tours, Governor Yue Qifeng stated that Panjin had made marked achievements in conducting comprehensive development in agriculture and industry. The city has a very good future and is the focal point of the province's construction plan. Efforts should be made to build the city into a base for grains, nonstaple foodstuffs, petroleum, the chemical industry, aquatic products, and paper manufacturing.

At 1900, the leading comrades of party, government, and Army organs arrived at the Liaohe Oilfield. Comrade Quan Shuren, on behalf of the provincial party committee and the provincial people's government, extended festive greetings to the oilfield's staff members and workers and praised their achievements over the past year.

In receiving the leading comrades of party, government, and Army organs, Wang Xiangmin, secretary of the Panjin party committee, extended thanks on behalf of the people throughout the city to People's Liberation Army [PLA] units stationed in the city for their enthusiastic concern and support for the city's people. He praised the PLA units for their contributions in building the two civilizations in the city and particularly in waging the struggle against flooding.

Pays Holiday Visit to Liaohe Plant

SK0201054092 Shenyang Liaoning People's Radio
Network in Mandarin 1030 GMT 1 Jan 92

[Text] On the afternoon of 1 January, Quan Shuren, secretary of the provincial party committee, accompanied by Wang Xiangmin, secretary of the Panjin party committee, and (Liu Zhenhuan), chairman of the city people's congress, arrived at the Liaohe Fertilizer Plant to spend New Year's Day with the plant's staff workers. During his visit, Quan Shuren told the staff members and workers that he came here to extend festive greetings and wish them a happy new year. He said that the Liaohe Fertilizer Plant is the direct source of fertilizer consumed in agricultural production throughout the province. The 1991 total grain output of more than 15 billion kilograms is closely linked to the development of the fertilizer industry. This is the contribution made by all staff members and workers of the Liaohe Fertilizer Plant to the province as a whole. Quan Shuren also told the staff members and workers that the Liaohe Fertilizer Plant had become the first-class enterprise on the national level. Therefore, it should set an example in production, develop new products, do a good job in carrying out comprehensive utilization, and achieve the development of intensive processing. In addition to successfully conducting its main production, the plant should also become able to enliven its sideline production, develop a diversified economy, and make still greater achievements in the new year.

Liaoning Gives 'Allowances' to Intellectuals*SK0101140092 Shenyang Liaoning People's Radio
Network in Mandarin 1030 GMT 30 Dec 91*

[Text] With the approval of the State Council, 179 experts and scholars with outstanding contributions in natural and social science will receive special allowances from the provincial government. Provincial leaders issued certificates to these experts and scholars this morning.

Giving special allowances to experts and scholars with outstanding achievements is a major policy decision of the CPC Central Committee and the State Council aimed at to strengthening and improving work by intellectuals. This year the State Council approved special allowances for 179 comrades in the province. Including the seven comrades who received allowances in 1990, there are 186 comrades enjoying allowances in the province. Some of them have made outstanding contributions in scientific research, engineering, agricultural, public health, and university work posts; some have made prominent contributions to social science, press and publication work, and cultural and artistic work. Some of them are veteran experts of noble character and high prestige, and some are young and middle-aged experts.

At the certificate ceremony, Yue Qifeng, governor of the province, extended warm greetings to the experts and scholars receiving the special allowances.

Quan Shuren, secretary of the provincial party committee, pointed out in his speech: We should take this opportunity to form a social practice of respecting knowledge and skilled people and rely on scientific and technological progress to conduct economic construction. Party committees and governments at various levels should take reliance on science and technology as the primary task to rejuvenate Liaoning. Science professionals and technicians should undertake the heavy task of rejuvenating Liaoning through science and technology. Leaders at various levels should create fine working and living conditions for science professionals and technicians.

Quan Shuren said: Liaoning is a heavy industrial base in China. The Eighth Five-Year Plan and the next decade are key periods for revitalizing the province's economy. The current industrial production and economic situation is comparatively grim. The tasks for improving large and medium-sized enterprises, accelerating technological transformation, and upgrading products are extremely heavy. So, the vast number of intellectuals should strengthen the sense of responsibility for rejuvenating Liaoning; strive to eliminate, as soon as possible, economic difficulties; and embark on the road of revitalizing the economy.

Leading Comrades Dai Suli, Xu Shaofu, Ge Xifan, Zhang Zhiyuan, Chen Suzhi, Wang Chonglu, and Cui Yukun also attended the ceremony.

Liaoning Views Economic, Agricultural Achievements*SK0101122292 Shenyang Liaoning People's Radio
Network in Mandarin 2300 GMT 31 Dec 91*

[Summary] Liaoning Province has announced various achievements in its top 10 news stories of 1991. The total output of grain and soybean reached 15.325 billion kg. The total production of the rural society reached 78 billion yuan, a 10.9 percent increase over 1990. Per peasant net income reached 836 yuan, a 7.73 percent increase over 1990.

The province invested 2.7 billion yuan in clearing up debts chains and handled a debts chain worth 11.22 billion yuan.

The province earned more than \$3 billion in foreign exchange through exports in 1991, a 20 percent increase over 1990.

The province's total output value of town-run industrial enterprises reached 53 billion yuan, a 16.2 percent increase over 1990.

Rural Economic Achievements*SK0201081692 Shenyang Liaoning People's Radio
Network in Mandarin 1030 GMT 1 Jan 92*

[Text] According to the recent reports from relevant departments, the province's rural production in 1991 is expected to reach 78 billion yuan, more than doubling 1980's figures. Of this total, the output value of secondary and tertiary industries is expected to reach 48 billion yuan, accounting for more than 60 percent of total rural production. The province's business from trade fairs and markets in the year showed a more than tenfold increase over 1980. The per peasant income for the year is expected to reach 836 yuan, more than double that of 1980. Per peasant spending on consumer goods showed a 1.8-fold increase over 1980. The consumption structure incurred a change, consumption quality was upgraded, housing conditions were improved, and modern living consumer goods began being sold to farm households. Town-run enterprises have become the important pillar of the province's rural economy and their total output value in 1991 is expected to reach 53 billion yuan, a 10-fold increase over 1980, accounting for 68 percent of the total product of the rural society.

Tax Collection Plan Fulfilled*SK2912064891 Shenyang Liaoning People's Radio
Network in Mandarin 1030 GMT 28 Dec 91*

[Summary] As of 24 December, the province had collected 15.113 billion yuan in industrial and commercial taxes, fulfilling 107 percent of the annual plan, overfulfilling the plan by 120 million yuan.

Grain Purchasing Achievements Noted

SK2912064591 *Shenyang Liaoning People's Radio Network in Mandarin 1030 GMT 28 Dec 91*

[Summary] Our province has had an upsurge in grain purchases. As of 25 December, the province had stored 3.107 million tons of state contract purchased grain, fulfilling the annual purchasing contract by 76.7 percent. Jinxi, Chaoyang, Benxi, and Fuxin comprehensively fulfilled their grain purchase contracts.

Foreign Trade Plan Fulfilled

SK2912062691 *Shenyang Liaoning People's Radio Network in Mandarin 1030 GMT 28 Dec 91*

[Text] As of the end of November, foreign imports and exports transported by sea, land, and air outlets across the province reached 41.022 million tons, which was 102.1 percent of the annual plan, prefulfilling the state-assigned annual plan by one month.

Northwest Region

Song Hanliang Chairs Xinjiang CPC Plenum

OW2812133091 *Urumqi Xinjiang Television Network in Mandarin 1655 GMT 24 Dec 91*

[By station reporters (Yilihan Osiman) and (Zhou Xiangying); from the "Xinjiang News" program]

[Text] The second enlarged plenary session of the fourth Xinjiang autonomous regional party committee, which lasted for six days, satisfactorily concluded on the afternoon of 24 December. The plenary session called on party organizations at all levels throughout the region to conscientiously implement the guidelines laid down by the eighth plenary session of the CPC Central Committee, further foster the guiding ideology which stresses agriculture as the foundation for promoting development of all other sectors, always give priority to agricultural and rural work, make efforts to usher in a new situation for developing agriculture and rural work, and greet the convention of the 14th National Party Congress of the CPC with outstanding achievements.

Wang Enmao, vice chairman of the National Chinese People's Political Consultative Conference Committee, attended this afternoon's meeting and delivered an important speech. Song Hanliang, autonomous regional party committee secretary, presided over this afternoon's meeting and made a concluding speech. Tomur Dawamat, deputy secretary of the autonomous regional party committee and chairman of the autonomous regional people's government, delivered a written speech at the meeting. Janabil, Li Shoushan, Amudun Niyaz, Zhang Fusen, and Jin Yunhui, deputy secretaries of the autonomous regional party committee, and Keyum Bawudun, Guo Gang, Wang Lequan, Zhou Shengtao,

(Zhu Guofu), and (Haili Qiemu Silamu), Standing Committee members of the autonomous regional party committee, attended the meeting. [Video shows the leaders as their names are announced]

During the meeting, comrades attending the meeting studied in earnest the resolutions adopted by the eighth plenary session of the CPC Central Committee and the important speeches delivered by Comrade Jiang Zemin. They spoke without any inhibitions; drew on collective wisdom and absorbed all useful ideas; fully affirmed the achievements and experiences gained by our region in its endeavors to promote agricultural development and rural work since implementing reform and the opening policy; analyzed existing problems and difficulties; conducted discussions in breadth and in depth, focusing on how to implement the guidelines laid down by the eighth plenary session of the CPC Central Committee, improve agricultural and rural work, and promote economic development in rural areas in an all-around way; and defined the main tasks and objectives of our region in carrying out agricultural and rural work in the 1990's.

The meeting examined, discussed, and approved the resolution adopted by the Xinjiang Uygur Autonomous Regional CPC Committee on comprehensively improving agricultural and rural work and promoting economic development in rural areas. The resolution contained nine parts:

1. The achievements and experiences gained in promoting development in rural areas in the 1980's;
2. The objectives, tasks, and guiding ideology for the 1990's;
3. Make continued efforts to readjust production structure and promote economic development in an all-around way in rural areas;
4. Stabilize and perfect the party's basic policy for rural areas and continue to deepen rural reform;
5. Rely on science and technology and increase input to build up multiple agricultural production capacity;
6. Persist in paying equal attention to promoting both material progress and cultural and ideological progress, strengthen the building of spiritual civilization in rural areas, and promote law systems among minority nationalities;
7. Conscientiously promote development of the primary organizations in rural areas, with party organizations as their nucleus;
8. Make vigorous efforts to promote economic development at farms and animal husbandry ranches run by regiments under the Xinjiang Production and Construction Corps, and make new contributions to promoting economic development in the autonomous region;
9. Effectively and realistically strengthen party leadership over agricultural and rural work.

The meeting laid down the overall objectives for agricultural and rural work in our region in the 1990's; namely, enabling peasants and herdsmen to lead a fairly comfortable life while we endeavor to comprehensively promote economic development in rural areas and strive to bring agricultural and animal husbandry production to new levels, promote economic development in rural areas, and bring about new changes in rural areas.

The meeting stressed: Enabling peasants and herdsmen to lead fairly comfortable lives is a strategic objective for our endeavors in the 1990's and is the central task of all our rural work. The general guiding thoughts for our agricultural and rural work are: Steadfastly implementing the party's basic line; using the guidelines laid down by the Eighth Plenary Session of the 13th CPC Central Committee as the guiding principle to strengthen the position of agriculture as the foundation for promoting development of all other sectors; continuing to deepen rural reform; relying on science and technology and increasing input; persisting in carrying out capital construction projects for agriculture; continuously building up multiple agricultural production capacity; making vigorous efforts to promote development of nonagricultural industries; and promoting synchronous development of the primary, secondary, and tertiary industries in rural areas.

The meeting pointed out: It is necessary to promote development of the diversified economy vigorously under the prerequisite of ensuring a steady increase in grain production, and take the road of conducting multiple exploitation of agricultural resources, realizing increments of the value of agricultural and animal husbandry products through processing, improving income through circulation, and increasing economic results by relying on science and technology.

The meeting pointed out: The major points and general orientation for rural reform in the future are making continued efforts to stabilize the household contract responsibility system with remuneration linked to output, continuously perfecting the dual management system that combines households with collective operations, vigorously developing socialized service system, gradually strengthening the collective economy, and guiding peasants to take the road of achieving common prosperity. Meanwhile, it is necessary for us to deepen reform of the circulation system, work successfully in carrying out supportive reform in urban areas, support cooperation between urban and rural areas, encourage them to supplement each other with their respective favorable conditions, make urban areas act as the driving force that brings along rural areas' development, and thereby, achieve coordinated development.

The meeting pointed out: It is necessary to increase multiple agricultural production capacity by a large margin; make vigorous efforts to promote agricultural development with the aid of science, technology, and

education; establish a system of investment that combines input by the state, collectives, peasants, and individuals; increase input in agriculture; make unremitting efforts to carry out construction of water conservancy works on farmland; continue to do a good job of carrying out construction of five good projects in rural areas; work successfully in promoting comprehensive agricultural development in a down-to-earth manner; speed up economic development in impoverished areas; and pay close attention to promoting development of the industries serving the needs of agricultural production and mechanized farming.

The meeting pointed out: It is necessary to persist in pursuing the policy of attaching equal importance to promoting material progress and cultural and ideological progress; conduct intensive education in socialist ideology in rural areas; further strengthen the building of spiritual civilization and promote development of law systems among minority nationalities in rural areas; continuously enhance the level of peasants' and herdsmen's ideology, moral ethics, and scientific and cultural attainments; and make efforts to bring up a new generation of peasants and herdsmen who cherish lofty ideals, have good educational backgrounds, and observe discipline.

The meeting pointed out: It is necessary to effectively and realistically promote development of the primary organization in rural areas with the party organization as their nucleus; give play to the role of the party branch in rural areas as a fighting bastion and bring into play the exemplary vanguard role of the communists; and meanwhile, do a good job of promoting development of supportive organizations at the village level and establish and perfect a system for screening, employing, training, appraising, commending and punishing, and supervising cadres in rural areas.

The meeting pointed out: It is necessary to promote continuous economic development of farms and animal husbandry ranches run by regiments under the Xinjiang Production and Construction Corps, and encourage them to give full play to their role as the showcase for the autonomous region in the course of its endeavor to achieve specialization, commercialization, and modernization.

The meeting stressed: It is necessary to strengthen party leadership over agricultural and rural work comprehensively, effectively, and realistically. Leading cadres at all levels must further emancipate their minds; enhance their awareness of the necessity to implement reform and opening; foster the concept of large-scale agriculture by regarding agriculture as the foundation for promoting development of all other sectors and producing economic results; have a sense of the commodity economy; improve their work style and method of work in earnest; and go down to grass-roots units and the masses to conduct surveys and studies. Meanwhile, it is also necessary for all trades and professions to make concerted efforts to support and promote economic development in rural areas vigorously.

The members and alternate members of the Xinjiang autonomous regional party committee, together with nonvoting delegates present at the meeting as observers, attended this afternoon's meeting.

Stresses Marxist Studies

OW2912163291 Urumqi Xinjiang Television Network
in Mandarin 1655 GMT 28 Dec 91

[By reporters Mu Fuchun and Huo Yanmin; from the "Xinjiang News" program]

[Text] In a speech delivered to the second congress of the regional Federation of Societies of Social Sciences today, Song Hanliang, secretary of the regional party committee, said: In the face of the intricate international situation and arduous domestic tasks, we should step up the study of Marxist theory and improve social sciences work in order to realize the second-step strategic goal.

He also said: We should thoroughly recognize the importance and urgency of upholding Marxism-Leninism-Mao Zedong Thought and of strengthening the study of Marxist theories in social science work.

He added: In the practice of modernization construction and of reform and opening up, we have to solve long-standing problems left over from history, as well as constantly explore solutions to a host of pioneering tasks never before touched upon. Meanwhile, we should be soberly aware that under the influence of the general international climate, confrontation and struggle between bourgeois liberalization and the four cardinal principles will continue for a long time. National separatism remains the main threat undermining Xinjiang's stability and development. Should we fail to understand the contradictions and struggles thoroughly, and eliminate destabilizing factors promptly and resolutely, we will not be able to maintain social stability or fulfill the second-step strategic goal. All party members and social scientists of various nationalities must seriously study and grasp Marxism, and must learn how to use the Marxist world outlook and methodology to identify and solve problems. Only by striving to raise our Marxist awareness and by becoming more unwavering and mature theoretically can we enhance our consciousness in implementing the party's basic line.

Song Hanliang said: We should earnestly strengthen the study, publicity, and education on socialism with Chinese characteristics. Building socialism with Chinese characteristics is a pioneering and continually developing major undertaking. In carrying out this undertaking it is necessary to make constant exploration, and still more to elevate practical experiences to theory, to use theory in guiding practice, and to verify and develop theory in the course of practice. The main tasks of social scientists are to summarize thoroughly and meticulously the practical experiences accumulated since the Third Plenary Session of the 11th CPC Central Committee; to constantly study new circumstances and problems cropping up in the course of practice; to work hard to explore

strategic measures for successfully applying the basic principles and requirements for building socialism with Chinese characteristics to Xinjiang's specific conditions; and to educate cadres and people on the theory and successful experiences of building socialism with Chinese characteristics.

He said: We should conscientiously conduct study, publicity, and education on the struggles against infiltration, subversion, peaceful evolution, and bourgeois liberalization. We should seriously summarize the experiences and lessons in the struggles between the proletariat and the bourgeoisie, between socialism and capitalism, and between Marxism and anti-Marxism in the ideological realm; and should study the characteristics, laws, and countermeasures of this realm under the new situation. We should always uphold Marxism as the ideological and theoretical guidance for consolidating the socialist system and ideological and theoretical front.

Song Hanliang stated: We should step up the study, publicity, and education on Marxist theories on nationality and religion; and should step up the study and publicity of issues related to the fight against national separatism. We should analyze and answer each and every problem existing in reality in a convincing, appealing, and militant manner so as to enlighten cadres and people of all nationalities. For some time to come, we should continue to focus attention on *The Uygur* and two other books, and use them as teaching materials and negative examples to more thoroughly repudiate the ideological views spread by the books to undermine national unity and unification of the motherland. Furthermore, while repudiating the books, we should also repudiate the history of East Turkestan and eliminate its pernicious influence. At present, we should also step up publicity on the party's relevant policies on the system of regional autonomy for minority nationalities, and more steadfastly persist and perfect the policies on the system of regional autonomy for minority nationalities.

He added: We should continue to step up study, publicity, and education on Xinjiang's economic construction, reform, and opening up. We should penetratingly study various theoretical and practical issues emerging in the course of implementing the national and regional 10-Year Programs and five-year plans; should step up the study of policy measures for revitalizing state-owned large and medium-sized enterprises, agriculture, and rural work; and should deepen the study of issues related to Xinjiang's reform and opening up. Meanwhile, keeping Xinjiang's economic construction in mind, we should step up the study of ways to apply science and technology to invigorate Xinjiang and its agriculture and industry, to control its population, and to protect the environment.

He stated: We should step up the study of issues related to nationalities, religions, Xinjiang's history, and the histories and cultures of minority nationalities. We should use the Marxist view on culture as our guide in

actively excavating, collating, and studying ethnic cultures. We should study new circumstances and problems in nationalities and religions in the course of modernizing construction and in reform and opening up; and should strengthen publicity and education on the Marxist view of religion and atheism.

In conclusion, Song Hanliang emphasized: We should effectively strengthen party leadership over social sciences; persist in the principle of letting a hundred flowers blossom and a hundred schools of thought contend; and strive to build a large and rationally-structured contingent of social scientists having advanced ideology, honest style, lively academic views, and practical minds in opening up a new situation in the study of social sciences in Xinjiang.

Regional leaders Janabil, Zhang Fusen, Keyum Bawudun, and (Zhou Guofu) attended the meeting today. [Video shows a medium-shot of Song Hanliang speaking from a script, seated and flanked by leaders on both sides]

Attends Border Trade Meeting

OW0101143392 Urumqi Xinjiang Television Network in Mandarin 1555 GMT 30 Dec 91

[From the "Xinjiang News" program]

[Text] The autonomous region ended its conference on regional and border trade on 29 December. Song Hanliang, Jin Yunhui, Wang Lequan, and other leading autonomous regional comrades attended the conference.

In his speech, Song Hanliang, secretary of the autonomous regional party committee, said: The development of regional and border trade is a major effort that has an impact on our region's economic development and the realization of our region's second-step strategic objective. Therefore, party and government organizations at all levels must view this effort from both an ideological perspective and a lofty strategic angle. They should work conscientiously to incorporate regional and border trade into our region's overall plans for economic development, make genuine efforts to put the task of developing such trade on their agenda, emancipate their minds, and work actively to foster economic ties between eastern and western China.

Song Hanliang said: Geographically speaking, our region is in a good position to conduct regional and border trade because it faces west. Successful and comprehensive development of such trade can inject new life into our region's industrial and agricultural production as well as economic development.

In conclusion, Song Hanliang said: In developing regional and border trade, we should strengthen macro-economic control and also invigorate microeconomic activity. We should strengthen political and ideological education among cadres, workers, and staff members of all nationalities; successfully build a clean and honest

government; heighten vigilance against peaceful evolution among hostile forces at home and abroad; and open up new prospects in our region's regional and border trade.

Hederbai, autonomous regional vice chairman, gave a summing-up report. [Video shows medium shots of Song speaking, wearing dark Western business suit]

Xinjiang People's Congress Committee Meets

OW2812223791 Urumqi Xinjiang Television Network in Mandarin 1655 GMT 25 Dec 91

[From the "Xinjiang News" program]

[Text] The 24th Session of the Seventh Xinjiang Autonomous Regional People's Congress Standing Committee opened in Urumqi this morning. Amudun Niyaz, chairman of the regional People's Congress Standing Committee, presided over the meeting.

After adopting an agenda, the session heard a report by (Gong Jinniu), deputy director of the autonomous regional Finance Department, on controlling county-level deficits and alleviating county-level financial difficulties; a report by Xu Peng, vice chairman of the autonomous regional People's Congress Standing Committee and deputy head of the group supervising the work of solving county-level financial problems, on an inspection of county-level financial deficits and county-level financial difficulties; and a report by (Abiti Musoer), director of the Overseas Chinese Affairs Office of the autonomous regional people's government, on the implementation of the law on protection of the rights of returned Overseas Chinese and relatives of Overseas Chinese.

Present at the meeting were Sawdanov Zayir, Zhang Sixue, Mahinur Kassim, Saersibik Istik, Zhang Shaopeng, Ma Mingliang, Kurban Ali, Abdurehim Litip, Xu Peng, Turbayim, and (Abula Yufu), vice chairmen of the autonomous regional People's Congress Standing Committee. Also present was (Yashen Nasier), secretary general of the People's Congress Standing Committee. Present at the meeting as non-voting delegates were Kurban Rozi, president of the regional Higher People's Court; Mijiti Kurban, chief procurator of the regional People's Procuratorate; and responsible persons of some other concerned departments. Present as visitors were responsible comrades of the autonomous regional Women's Federation and Overseas Chinese Federation, as well as the responsible comrades of various democratic parties.

Standing Committee Session Ends

OW2912105191 Urumqi Xinjiang Television Network in Mandarin 1655 GMT 28 Dec 91

[From the "Xinjiang News" program]

[Text] The 24th Session of the Seventh Xinjiang Autonomous Regional People's Congress Standing Committee

ended in Urumqi on the afternoon of 27 December. The meeting decided to hold the Fifth Session of the Seventh Autonomous Regional People's Congress in early March 1992 in Urumqi. The three-day meeting heard and examined a report on controlling counties' financial deficits and another report on helping counties solve financial difficulties. The meeting also heard and examined a report on implementing the law on protecting the rights and interests of returned Overseas Chinese and their families. The meeting also made personnel appointments and removals.

Amudun Niyaz, chairman of the autonomous regional people's congress, presided over a plenary meeting in the afternoon of 27 December. (Ablaidi) and (Abduretidi), vice chairmen of the Xinjiang Autonomous Regional People's Government; Kurban Rozi, regional Higher People's Court president; and Mijiti Kurban, regional People's Procuratorate chief procurator attended the meeting as observers.

Xinjiang Advisory Committee Holds Plenum 24 Dec

OW2812223891 Urumqi Xinjiang Television Network in Mandarin 1655 GMT 25 Dec 91

[From the "Xinjiang News" program]

[Text] The Xinjiang Uygur Autonomous Regional CPC Advisory Committee held its second plenary meeting in Urumqi yesterday morning [24 December]. Attended by 24 committee members, the meeting was presided over by (Chen Qifu), vice chairman of the Advisory Committee.

The plenary meeting completely supported the decision of the CPC Central Committee on further strengthening agriculture and work in rural areas; the resolution on convening the 14th CPC National Congress adopted by the Eighth Plenary Session of the 13th CPC Central Committee; as well as the important speech delivered by Comrade Jiang Zemin at the plenary session. It completely approved of the decision of the Xinjiang Uygur Autonomous Regional CPC Committee on strengthening agriculture and work in rural areas as well as developing the rural economy in an all around way, adopted after deliberation by the second enlarged plenary meeting of the Fourth Xinjiang Autonomous Regional CPC Committee.

The plenary meeting stated: The decision adopted by the second enlarged plenary meeting of the Fourth Xinjiang Autonomous Regional CPC Committee has fully affirmed Xinjiang's achievements in rural reform and construction in the 1980's, realistically and objectively pointed out existing problems, and clearly and definitely put forward Xinjiang's major tasks in rural work for the 1990's. It contains relevant principles, policies, and concrete measures which fully reflect the common aspirations of the people of all nationalities in the region.

The plenary meeting pledged to give full play to the collective wisdom and practical experience of the members of the Advisory Committee, to go deep into the

realities of life to conduct investigation and study among the masses, and to serve as a good advisor and assistant to the autonomous regional party committee.

Xinjiang Discipline Inspection Commission Meets

OW2812224091 Urumqi Xinjiang Television Network in Mandarin 1655 GMT 25 Dec 91

[From the "Xinjiang News" program]

[Text] The Xinjiang Uygur Autonomous Regional CPC Discipline Inspection Commission held its second plenary meeting in Urumqi this morning. Attended by 25 committee members, the meeting was presided over by Zhou Shengtao, member of the autonomous regional party committee Standing Committee and secretary of the autonomous regional Discipline Inspection Commission.

The plenary meeting unanimously supported the decision of the CPC Central Committee on further strengthening agriculture and work in rural areas as well as the resolution on convening the 14th CPC National Congress adopted by the Eighth Plenary Session of the 13th CPC Central Committee. It completely supported the important speech delivered by Comrade Jiang Zemin at the closing ceremony of the Eighth Plenary Session of the 13th CPC Central Committee, as well as the communique of the eighth plenary session of the central Discipline Inspection Commission. It unanimously supported the decision of the autonomous regional party committee on strengthening agriculture and work in rural areas as well as comprehensively developing the rural economy, as adopted by the Second Enlarged Plenary Meeting of the Fourth Xinjiang Autonomous Regional CPC Committee; and the important speech made by Comrade Song Hanliang at the closing ceremony of the enlarged plenary meeting.

The plenary meeting stated: The second enlarged plenary meeting of the Fourth Xinjiang Autonomous Regional CPC Committee seriously implemented the guidelines of the Eighth Plenary Session of the 13th CPC Central Committee, comprehensively summed up Xinjiang's achievements and experience in building a new socialist countryside with Chinese characteristics in the last decade and more, put forward the major tasks and general objectives of Xinjiang's agriculture and rural work for the 1990's, and upheld the household responsibility system linking output to payment as the main form. It decided to consolidate and perfect such basic policies as the dual management system that combines household with collective operations, develop the socialized service system for agriculture, gradually expand the collective economy, and guide the peasants in taking the road of common prosperity. The decision adopted by it is an important document for guiding rural work, promoting agricultural development, and developing the rural economy in the days to come.

The plenary meeting called on the party committees and disciplinary inspection organs at various levels to resolutely

implement the guidelines of the Eighth Plenary Session of the 13th CPC Central Committee and the Second Enlarged Plenary Meeting of the Fourth Xinjiang Autonomous Regional CPC Committee; to strengthen the party's disciplinary inspection work in rural areas; and to contribute to

creating a new situation of agriculture and rural work in Xinjiang. The meeting unanimously adopted the communique of the Second Plenary Meeting of the Xinjiang Uygur Autonomous Regional CPC Discipline Inspection Commission. Comrade Zhou Shengtao addressed the meeting.

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